SASKATCHEWAN

[redacted]

Office of the Provincial Auditor

103-02048/

Business and Financial Plan

For the Year Ended March 31, 2004

As Presented to the
Standing Committee on Public Accounts

November 2002

Provincial Auditor Saskatchewan

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Vision

We envision effective, open, and accountable government.

Mission

We serve the people of Saskatchewan through the Legislative Assembly by fostering excellence in public sector management and accountability.

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SASKATCHEWAN

November 29, 2002

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour of submitting my *Business and Financial Plan for the Year Ended March 31, 2004*, to be laid before the Legislative Assembly in accordance with the provisions of Section 14.1 of *The Provincial Auditor Act.*

Respectfully yours,

Fred Wendel, CMA, CA
Provincial Auditor

/dd

Our Business and Financial Plan

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Glossary

Estimate – Future-oriented financial information prepared using actual results where available and assumptions all of which reflect the entity's planned course of action for the period covered given management's judgement as to the most probable set of economic conditions.

Forecast – Future-oriented financial information prepared using assumptions that reflect the entity's planned courses of action for the period given management's judgement as to the most probable set of economic conditions (CICA Handbook).

Projection – Future-oriented financial information prepared using assumptions that reflect the entity's planned courses of action for the period given management's judgement as to the most probable set of economic conditions, together with one or more hypotheses that are assumptions which are consistent with the purpose of the information but are not necessarily the most probable in management's judgement (CICA Handbook).

2003-2004 Funding Request

Funding request

As required by *The Provincial Auditor Act*, we present our estimates supported by our business and financial plan to the Standing Committee on Public Accounts. In Appendix III, we set out the estimates of expenditures for 2003-04 in the format the Legislative Assembly expects. In Appendix I, we provide details of these estimated expenditures. These estimates include an amount for unforeseen expenses as expected by the Act. The amount of these estimates will enable our Office to fulfill our statutory responsibilities under the Act.

Our Office asks the Standing Committee on Public Accounts to recommend to the Legislative Assembly an appropriation for the operation of the Office of $5.405 million for 2003-04 and a contingency appropriation of $0.35 million.

Appropriation

Our funding request is a $26,000 (0.5%) increase over our 2003 appropriation. A number of factors affect costs for our Office. For 2004, the key factors are: the number of government agencies, the employment market for auditors, and changing professional standards.

The Provincial Auditor Act requires us to audit all government agencies. Each year, our business and financial plan includes the estimated impact on audit costs of the creation or wind-up of agencies. In 2003, the Government reorganized and created several new agencies. The estimated net affect on audit costs is $49,000 (see pages 48 to 51 for details).

Job opportunities for professional auditors and auditors training to become professionals continue to grow. Our Office must offer reasonable salaries and benefits based on market conditions within both the public and private sectors. The Government gave its employees economic salary increases of 2.5% effective July 1, 2002 and a further 2.5% effective July 1, 2003 along with improved benefits. To maintain our ability to recruit and retain staff, we granted our employees a 2.5% general increase on July 1, 2002 and expect to provide a further 2.5% increase on July 1, 2003. We also matched the improvement in benefits provided to other public sector employees. This will increase our salary and benefit costs $157,000.

A number of events, most notably Enron, have prompted changes to Canadian generally accepted assurance standards since our last plan. Standards require improved communications with management and with those having oversight responsibility for financial reporting processes of agencies (e.g., audit committees), and clarify the auditor's responsibility for consideration of fraud and error. Appointed auditors are expecting that these changes will result in increased audit work and costs. They are requesting fee increases from government agencies. At this time, we have not included any additional cost increases for these changes. We are assessing the impact of these changes and plan to include any necessary increases in future financial plans.

The extra work and increased salary and benefit costs increase our costs by $206,000. We plan to absorb $180,000 of these costs by continuing to find better ways to do our work.

For example, our Business and Financial Plans for the years 2001 to 2004 show increased costs to our Office caused by new agencies the Government created in each of those years. Those Plans show we would require approximately three more employees than we had in 2000 just to audit the new agencies.

For 2004, we plan to reduce our workforce from 59 to 57 positions. For the last ten years, our Office has gradually reduced its planned workforce to 57 employees.

Contingency Appropriation

The Legislature amended *The Provincial Auditor Act* on June 28, 2001. The amended Act changes how we finance our operations. Previously, we maintained net financial assets equal to approximately one month's salary and benefit expenses. We used this money to finance short-term revenue shortfalls caused by responding to unplanned work, pressure to improve the timeliness of our work, and unplanned salary and benefit increases. This practice enhanced our independence by providing the resources necessary to manage effectively unforeseen circumstances.

The amended Act requires the Provincial Auditor to return all unspent money at the end of the year to the General Revenue Fund. This practice is known as "lapsing appropriations". To enable the Provincial Auditor to retain the independence to manage effectively, the Standing Committee on Public Accounts recommended that the amended Act provide for the Provincial

Auditor to obtain an extra appropriation each year. The amended Act provides for a contingency appropriation for unforeseen expenses.

Our request includes a contingency appropriation of $350,000. This contingency appropriation approximates our previous net financial asset target of one month's salary and benefits.

We explain the many other factors that affect our request for resources in this Business and Financial Plan.

Independent advice for assessing our funding request

When the Board of Internal Economy considered our 1999 Business and Financial Plan in January 1998, the Board asked us to suggest ways the Board could obtain independent advice to help it assess our future requests for resources.

We suggested that the auditor Cabinet hired to audit our Office should provide assurance to the Board that our request for resources (financial forecast) is reasonable to carry out our operating plan (i.e., our goals, objectives, and strategies). For the fifth year, we include our audited financial forecast on the expenditure and the expense basis of accounting. Our Annual Report on Operations began using the expense basis of accounting for the year ended March 31, 2000. The auditor's report appears on page 36. The auditor reports that our financial forecast is consistent with and reasonable in relation to our operating plan.

Introduction

We prepared our Business and Financial Plan using sound reporting principles. There is general agreement on the broad principles for effective information. Effective information is relevant, reliable, and understandable. In other words, information that reflects these principles is useful, accurate, complete, timely, and in a form that readers can readily understand. The following Exhibit provides an outline of these principles.

Exhibit 1: Reporting principles for effective planning information

Relevant

- Demonstrated relationship between information provided and information needs of the Assembly and the public;
- Aggregated at an appropriate and meaningful level;
- Describes the key risks that must be managed well to achieve objectives;
- Includes an assessment of the effectiveness of the control established to achieve objectives;
- Reported in sufficient time to influence decisions; and
- Readily available in print and electronic form.

Reliable

- Neutral and fair, in that judgements made on planned performance are not influenced by the way that the information is provided;
- Reasonably accurate and complete; and
- Based on reasonable, disclosed assumptions.

Understandable

- Provides the minimum level of detail needed to enable users to gain a proper understanding of the planned performance and activities;
- Focuses on a small number of objectives and performance targets;
- Explains the context and reasons for selected long-term goals and priorities; and
- Comparable over time, i.e., provides actual revenues and expenses for at least 2 prior years and planned revenues and expenses for 3 or more future years.

Assessing our effectiveness

Members of the Legislative Assembly often ask how they can assess our effectiveness when they consider our annual business and financial plans. We think Members can do this in three ways.

- To be effective, we need to do work that the Standing Committees on Public Accounts and Crown Corporations consider useful in carrying out their mandates. Members can ask the Committee's members whether

they consider our work useful in helping the Committee carry out its mandate.

- Members can use our annual reports on operations to compare what we told the Assembly we planned to do with what we actually did.

- Members can ask our Office questions on what we plan to do and what we actually did. Members can ask these questions at any time including the public meetings of the Standing Committee on Estimates and the Standing Committee on Public Accounts.

We present our business and financial plans directly to the Assembly as required by law. As a result, Members of the Legislative Assembly can review our plans before we appear at the Standing Committee on Public Accounts. This allows Members the opportunity to advise the Committee on the relevance of our planned work.

The Legislative Assembly received our *Annual Report on Operations For the Year Ended March 31, 2002* on June 13, 2002. The Report contains information to help Members assess our effectiveness. We describe our performance in achieving our goals and objectives. We compare what we told the Assembly we planned to do in our 2002 Business and Financial Plan with what we actually did. Our performance measures, described on pages 74 to 75, include the quality and efficiency of our inputs, the quality of our outputs, and the intermediate outcomes of what we do.

Exhibit 2 on page 11 may help Members understand our work and its impact. The exhibit explains what we mean by the terms inputs, outputs, intermediate outcomes and, most importantly, expected final outcomes.

Who We Serve

Our role

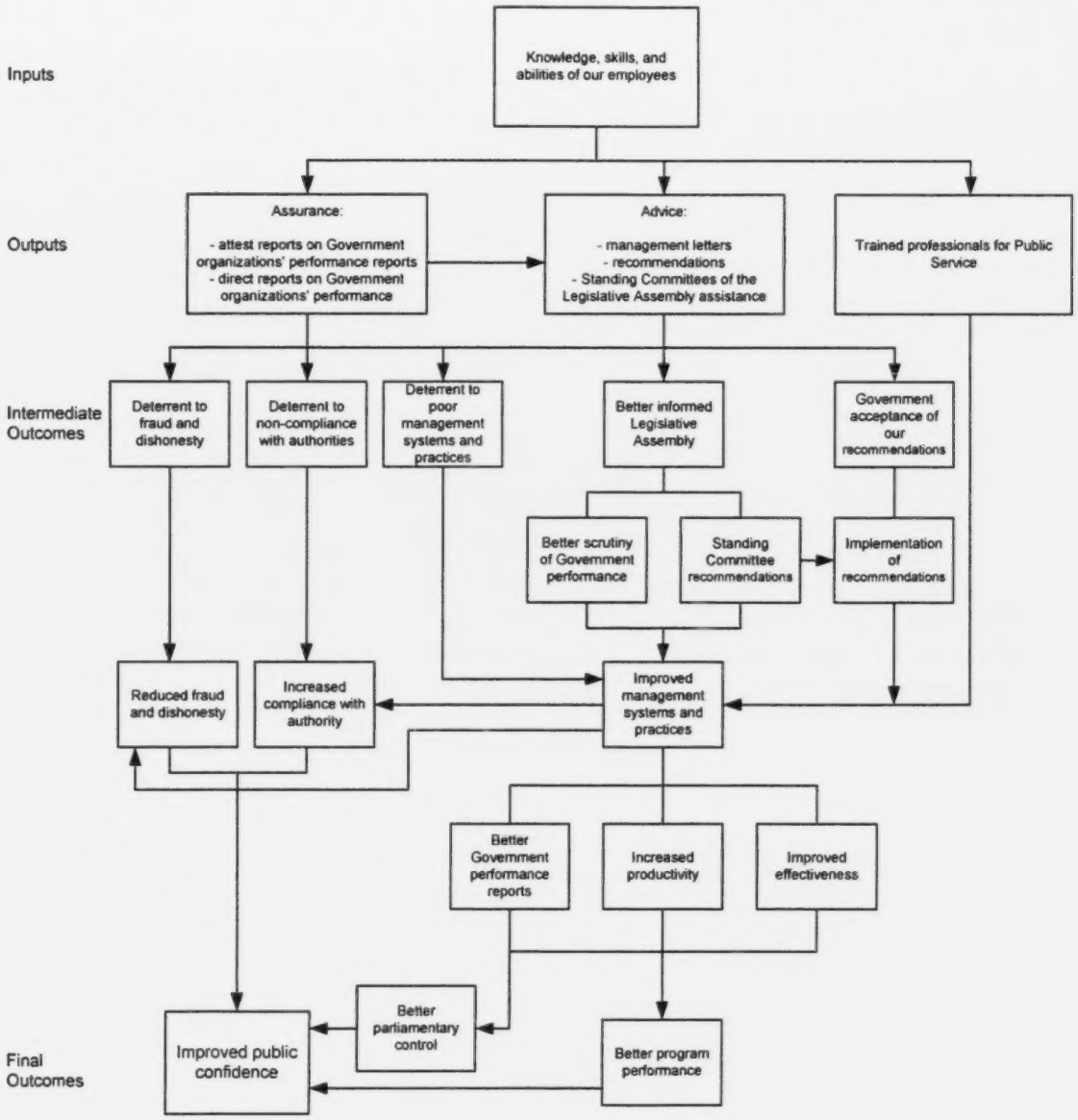
The Office of the Provincial Auditor helps the Legislative Assembly hold the Government accountable for how it manages public money. Our Office examines the Government's management of public resources and reports our findings to the Assembly.

Legal status

The Provincial Auditor Act creates an officer of the Legislative Assembly called the Provincial Auditor. The Act gives the Provincial Auditor the responsibility, authority, and independence to audit and report publicly on all government agencies.

What We Do and the Impact of Our Work

Exhibit 2



What We Do

Our vision

We envision effective, open, and accountable government.

Our mission

We serve the people of Saskatchewan through the Legislative Assembly by fostering excellence in public sector management and accountability.

Our mission shapes what we do and how we respond to key economic, political, social, and technological forces affecting those we serve.

How we carry out our mission

To fulfill our mission, we examine and provide independent assurance (conclusions) on the Government's management of and accountability practices for the public resources entrusted to it. We support and adhere to the accounting and assurance standards recommended by The Canadian Institute of Chartered Accountants. In particular, we provide the following services:

- We advise the Legislative Assembly on:
  - the reliability of the Government's public performance reports;
  - the Government's compliance with legislative authorities; and
  - the adequacy of the Government's management of public resources.
- We encourage discussion and debate about public sector management and accountability issues.
- We assist the Standing Committees on Public Accounts and Crown Corporations.
- We develop professionals for public service.

Our reports

We report our conclusions, findings, and recommendations to the Government, its managers, and the Legislative Assembly.

At the end of each examination, we prepare a draft report of our conclusions, findings, and recommendations. We discuss the draft with senior officials of the agency and revise the draft when necessary. We issue a final report to the Minister responsible, to senior officials of the agency and, if applicable, to

the chair of the board of directors. Also, we usually send a copy to the Chair and Secretary of Treasury Board and to the Provincial Comptroller.

In addition, we provide conclusions on the reliability of financial statements and other performance reports issued by government agencies. These conclusions are provided to the Assembly with the financial statements and other reports of government agencies.

Each year, we report directly to the Assembly. These reports contain the matters that we think are significant to the Assembly and the public. We decide what matters to report in the context of the following questions.

- Does the matter affect the Assembly's ability to control the financial activities of the Government?
- Does the matter affect the Assembly's ability to hold the Government accountable for how it administers public money?
- Does the matter involve improving how the Government administers public money?
- Does the matter involve non-compliance with legislative authorities?

We assess these questions of what to report in the context of specific government sectors, programs, and agencies and in the context of the whole Government.

When an agency's financial statements, compliance with authorities, and rules and procedures to safeguard assets are satisfactory, we also report that information to the Government and to the Legislative Assembly.

Expected outcome of our work and reports

Exhibit 2 on page 11 shows the expected outcomes of our work.

For our parliamentary system of government to work properly, the system must enjoy public confidence. To merit this confidence, the Government's programs must be effective. Also, the Government must be open and accountable to the public.

Our work and reports directly affect public confidence in the Government. They provide the public with confidence that the Government's financial and other reports are reliable, the Government uses adequate processes to

safeguard public resources, and the Government has complied with governing authorities.

One important responsibility of the Legislative Assembly is to hold the Government accountable for its management of public resources. By providing relevant, reliable, and timely reports, we help the Assembly to carry out this responsibility.

Our work and reports call for public accountability for government operations and sound management. They contribute to informed decision making in government and business-like processes. In turn, this helps the Government carry out its responsibility to use sound management practices.

Our competencies

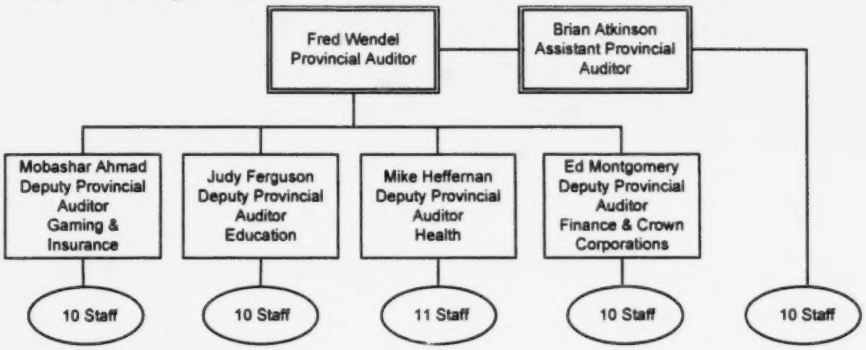
Our knowledge, skills, and abilities also affect what we do for the public, the Legislative Assembly, and the Government. We apply the following special competencies and experience to our work and reports:

- objectivity, because of our full independence from the Executive Government;
- thorough knowledge of the:
  - complex structure and systems the Government uses to manage public resources;
  - structure of legislative authorities governing the activities of government agencies related to financial reporting, safeguarding assets, revenue raising, spending, borrowing, and investing;
  - audit of information systems; and
  - accounting and assurance standards recommended by The Canadian Institute of Chartered Accountants;
- working knowledge of the issues facing government agencies operating in many and diverse types of businesses including education, health, insurance, protection of people and property, pension and benefit plans, energy, telecommunications, gaming, transportation, renewable resources, non-renewable resources, human resources, construction, and financial services; and

- a business view derived from rigorous professional training that we blend with our practical knowledge of public administration.

Our Organization

Our planned organization for 2003-2004 follows:



Our Gaming and Insurance Division's responsibilities include examining the Government's gaming, insurance, and pension programs. These programs are large. The Government's pension liabilities alone total nearly $7 billion. Pension and insurance liabilities require our staff to acquire special knowledge to understand the methods used by actuaries and the accounting practices in these industries. Gaming operations (casinos) also require our staff to acquire special knowledge to understand the unique risks in this industry.

Our Education Division's responsibilities include examining the Government's education, skills training, labour, municipal, aboriginal, and infrastructure programs. The kindergarten to grade 12 education system and the post-secondary education system (e.g., universities, SIAST, and regional colleges) spend over $1.9 billion annually. In addition, the Government has over $16 billion invested in infrastructure.

Our Health Division's responsibilities include examining the Government's health and social services programs. Total public spending on health for the year ended March 31, 2002 was $2.5 billion. A significant part of the Division's work is auditing the 12 regional health authorities created by the Government.

Our Finance and Crown Corporation Division's responsibilities include examining the Government's programs carried out through the Department of Finance and Crown Investments Corporation of Saskatchewan. These programs are complex and affect almost all aspects of government. The

Division is also responsible for our government-wide information technology audits.

Our Support Services Division's responsibilities include administration, human resources, research, methodology, training, secretarial, clerical, and information technology.

During 2004, our Office expects to employ 57 people. At October 31, 2002, 28 of our employees are professional accountants. Sixteen are training to become professional accountants.

We have the services of a health professional, a lawyer, and a librarian. The skills, experience, and perspectives of these professionals continue to be particularly valuable as we continue to examine broader and more in-depth issues.

Our employees are our most valuable resource because "what we do" depends on their knowledge and skills. Creating and maintaining an environment that encourages ongoing learning is crucial to our success.

What We Plan To Do

Our goals and objectives

We have three goals:

- Foster well-managed Government.
- Encourage meaningful reporting by Government.
- Manage our business effectively.

Appendix I on pages 57 to 77 sets out our goals, objectives, and strategies for the years ending March 31, 2003 to 2007. The Appendix also sets out the performance indicators we use to measure our success in achieving our goals and objectives and our performance targets for those indicators.

Our guiding principles

Our Office is committed to earning the respect and confidence of legislators, the public, government officials, and our professional colleagues. Our guiding principles help us meet this objective. The following principles guide us:

Accountability – We actively take responsibility for achieving positive results and explaining our actions.
Balance – We support the balance between work, home, and community responsibilities.
Independence – We maintain objectivity in all our work.
Innovation – We seek better ways to achieve results by fostering continuous learning.
Integrity – We work in a professional, honest, courteous, and equitable manner.
Leadership – We support strong leadership and teamwork with clear and open communication.

Factors affecting our work plan

Our work plan for 2004 enables us to fulfill our legislative responsibilities under *The Provincial Auditor Act*. The Act sets out the agencies we must examine.

Our detailed work plan for 2004 is set out at pages 42 to 47. The work plan reflects our goals and guiding principles. It also reflects known information about the following factors at October 31, 2002:

- the 2003 level of government revenues and spending;
- the number of government agencies in 2003;
- the quality of the Government's records, systems, and practices;
- the Government's use of appointed auditors;
- professional standards;
- the co-operation we expect to receive from government officials and appointed auditors when we do our work; and
- the public's expectations.

Forces and trends affecting our work plan

Five key forces and trends affect legislators, the public, and government officials (our stakeholders). They also shape our work.

Advancing technology – making possible new ways of communicating and providing services, quicker and often at less cost, but requiring attention to security and loss of privacy.

Changing demographics – a growing Aboriginal population, an aging population, and the depopulation of rural Saskatchewan.

Economic constraints – increasing demand for government services and continued demand for lower taxes.

Globalization – an increasingly integrated and interdependent world with strong international competition.

Pressure on the environment – the sustainability of our environment balanced with the need for economic activity.

These forces and trends have increased the public's expectations. For example, current technology gives the public more accessible information and knowledge about services and taxes in other jurisdictions. Changes in demographics will result in increased demands for services (e.g., health care). The Government's ability to manage scarce public resources and meet the public's increased expectations impacts public attitude.

In Saskatchewan, these forces and trends are straining public resources and are causing stakeholders to re-examine the role of the Government, that is, how it organizes and delivers programs and services, and how it ensures adequate participation in decision-making.

Our focus

We plan to focus our efforts on helping our stakeholders address the challenges emerging from these forces and trends as well as several more specific issues. In particular, we will encourage the Government to address the following challenges:

- Report on how it manages the risks related to advancing technology, changing demographics, economic constraints, globalization, and pressure on the environment;
- Report on how it manages the risks related to the public's valuable infrastructure for effective service delivery including information technology;
- Strengthen its management of and accountability for intergovernmental and interagency programs;

- Improve the quality of information provided to legislators on the plans and results (financial and non-financial) of the overall Government and each of its agencies including Crown corporations; and

- Use sound human resource plans to support an effective public sector work force.

Risk Management

Our Key Risks

Sound risk management is essential for us to help the Legislative Assembly hold the Government accountable for its management of public resources. To manage risk, we must identify, assess, and reduce possible adverse consequences the Office may experience from events or circumstances.

We routinely identify and assess our risks. We have established controls to reduce to an acceptable level the likelihood that our risks will have adverse consequences on our ability to carry out our responsibilities under *The Provincial Auditor Act*. We accept some degree of risk because it is not cost effective to eliminate all risks. The following are our key risks.

Our stakeholders do not support our goals and objectives. For the Office to remain viable, legislators, the public, and government officials (our stakeholders) should support our goals and objectives. Pursuing our goals and objectives must result in relevant assurance (conclusions) and advice for our stakeholders. As discussed more fully in the risks that follow, we have established processes so that we set goals and objectives that will result in relevant assurance and advice for our stakeholders.

The Government does not act on our recommendations. Doing independent, reliable, and relevant work at a reasonable cost is vital to our Office's success. These attributes are also essential for our stakeholders to value our advice. We must understand the challenges that the Government faces. Also, our advice must help improve program performance. In the risks that follow, we set out the processes that we use so that our assurance and advice is independent, relevant, reliable, and cost effective.

We do not adequately understand or respond to the challenges and risks faced by our stakeholders. If our assurance and advice is to be reliable, we must understand the challenges and risks faced by the

Government. How the Government manages its risks affects the nature and extent of work we must do to report to the Assembly.

We must also understand the challenges and risks faced by legislators and the public if our assurance and advice is to be relevant. To be relevant, our assurance and advice should result in better parliamentary control over government activities and better program performance. On pages 57 to 73, we set out the goals, objectives, and strategies that enable us to understand the challenges and risks faced by our stakeholders.

The Standing Committees on Public Accounts and Crown Corporations are unable to fulfill their responsibilities. Our Office must provide assurance and advice that is consistent with their objectives.

The Public Accounts Committee is the audit committee for the Legislative Assembly. The Committee is a key agent of change for improving the Government's management of public resources. The Public Accounts Committee's mandate is to help the Legislative Assembly hold the Government accountable for its spending of taxpayers' money and for its stewardship over public assets. The Committee reviews and evaluates the activities of government departments and Crown agencies. The Committee works with the Provincial Auditor to carry out the Committee's mandate.

The Crown Corporations Committee also has an important role in helping the Legislative Assembly hold the Government accountable for its management of public assets. The Crown Corporations Committee focuses its review on agencies that generate revenues from sources other than the General Revenue Fund. It inquires about issues of current concern, future objectives, and past performance. Beginning in 2001, the Assembly referred the parts of the Provincial Auditor's reports that relate to the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries to the Committee for review. During those reviews, the Committee works with the Provincial Auditor to carry out the Committee's mandate.

The Office also provides the Assembly with an annual business and financial plan and an annual report on operations. The Public Accounts Committee reviews and provides its advice on these reports.

We lose or stakeholders perceive that we have lost our independence. *The Provincial Auditor Act* makes our Office responsible to examine all public money managed by the Government (e.g., departments, boards, corporations) and the Legislative Assembly (e.g., Board of Internal

Economy). The Act makes our Office independent of appointed and elected officials so that we can administer the Act without fear of reprisal.

The Act defines the agencies that the Office must examine. The Office decides what work needs to be done and how the work is carried out for the proper administration of the Act.

We carefully guard our independence and report to the Assembly when we are concerned about our independence. Also, our Office has processes to maintain objectivity and independence in our work for the Legislative Assembly.

We provide inappropriate or incorrect assurance and advice. Stakeholders must trust and value our assurance (conclusions) and advice. Gaining and keeping their trust is essential for the viability of the Office. On pages 57 to 73, we set out our goals, objectives, and strategies to ensure that our assurance and advice are reliable.

Also, in the next section (why systems and practices are important), we describe our quality control systems and practices to ensure that our work is reliable. We think those systems and practices minimize the risk that our processes may fail. However, we recognize that systems and practices sometimes fail because of factors such as procedural failures and human error.

We do not have the required competencies and resources. The quality of our work is dependent on the knowledge, skills, and abilities of our employees. We have training programs to enable our employees to acquire the special knowledge, skills, and abilities we discuss on pages 14 and 15.

To discharge our statutory responsibilities, we need sufficient resources to employ the required competent people. We also need sufficient resources to equip, support, and house our employees. We need the support of legislators to obtain the required resources. To obtain this support, we have established controls to ensure that our work is relevant to legislators and reliable. Also, we make public a comprehensive business and financial plan annually to build legislators' support for our request for resources. When we do not have sufficient resources to pay for the cost of our work force, we reduce the number of our employees. When this happens, we do not do all the work the law requires us to do and we advise our stakeholders.

We do not manage our resources effectively. Our management practices must promote the effective use of our resources. We have established

systems and practices to keep the risk of not doing so at a minimum. These processes include such things as setting direction, setting performance targets, monitoring our guiding principles, training staff, segregating duties, maintaining procedural manuals, delegating authority, processing transactions, reporting and monitoring results.

Why systems and practices are important

Strong systems and practices ensure we have appropriate controls to manage the risks that might prevent our Office from achieving our goals including sound financial management. The following briefly describes those systems and practices.

Systems and practices for achieving Goals 1 and 2

For the risks associated with Goal 1 (foster well-managed government) and Goal 2 (encourage meaningful reporting by government), set out on pages 58 to 65, we need rules and procedures to ensure the quality of our work, identify opportunities for improving agencies' performance reports and their management practices, and ensure that our work covers all government agencies.

Quality

The following rules and procedures affect the quality of our assurances (conclusions) and advice.

We use standard methods for carrying out our work and continually change the methods to reflect best practice. The methods cover how we plan, execute, supervise, and report our work. We monitor all our work to know that it meets our standard methods. In addition, we have rules and procedures for working with other auditors who audit government agencies.

We have hiring and training policies and procedures to help staff have the knowledge, skills, and abilities necessary to do their work. These policies also help us broaden staff skills in key sectors (e.g., health, education, and social services), information technology, and general management.

We maintain our objectivity and independence in all our work. We routinely make inquiries of our staff to know that they comply with our objectivity and independence standards. In addition, the Office surveys staff to ensure that we use our guiding principles in all decisions and actions.

Relevant work

The following rules and procedures help us encourage the Government to improve its performance information and its processes to achieve intended results (management).

Our Office publishes its strategic plan that includes its goals, objectives, and strategies. The strategic plan is the foundation for our annual business and financial plans. Our processes require us to review the internal and external environment to access whether changes are required. This helps our Office direct its efforts towards relevant issues.

Our personnel policies and procedures ensure that our employees align their activities with our goals and objectives. Each employee's annual work plan shows how the employee will contribute to achieving our goals and objectives. We continually monitor our employee work plans.

We have established standards that require us to report to government agencies in writing our conclusions, findings, and recommendations after each examination. Those standards also require us to meet with management to discuss the findings and gain support for our recommendations. In addition, we monitor management's satisfaction with our work. We also continuously seek advice from stakeholders when we work with appointed auditors.

Scope of our work

The following practices ensure that our work covers all government agencies.

The Legislative Assembly, Cabinet, and existing government agencies create or windup other government agencies. We monitor the actions of these parties and continually change our list of government agencies.

We prepare an annual work plan for the Office that covers all government agencies. We use a risk-based model to productively focus our work. We estimate the costs of carrying out the plan and ask the Assembly for the money to carry out the plan.

Systems and practices for achieving Goal 3

For Goal 3 (manage our business effectively), set out on pages 66 to 73, we need rules and procedures to ensure that our stakeholders understand and value our work. We also need processes to ensure that our work is relevant,

reliable, timely, and done at a reasonable cost. These processes help us improve our performance.

Stakeholder recognition

The following rules and procedures help us communicate to our stakeholders who we are, our plans, and the results of our work.

We have processes to prepare reliable plans and performance reports. These documents convey vital information about our Office. We also have processes to make these documents accessible to legislators, the public, and government officials. In addition, we seek and monitor the views of our stakeholders on our plans and performance.

We have processes to report our assurance and advice to the Legislative Assembly and our other stakeholders in a clear, accessible, and timely manner. We monitor legislators' and the Government's acceptance of our recommendations. We also monitor legislators', Legislative Committees' and the media's use of our reports.

Quality at reasonable cost

The following rules and procedures affect the quality and cost of our services.

For Goals 1 and 2, we established rules and procedures to ensure the quality and relevance of the assurances and advice we provide to legislators and the public. These rules and procedures include systems to identify best practices. We continually compare the way we do our work with private sector auditors and other legislative auditors.

We have established systems and practices for the sound financial management of our assets. Our auditor reports publicly that our management systems and practices are adequate.

We have established processes so that our work is reported by established deadlines and within the planned costs set out in our business and financial plan. We forecast the cost of each audit and monitor the actual cost of each audit. We compare planned to actual costs, and we explain and act on differences. We also routinely compare our costs to audit government agencies with private sector auditors' costs to audit government agencies.

We plan the use of our employees' time and monitor our employees' actual use of time. We compare planned to actual results, and we explain and act on differences.

Also, because the quality and cost of our work is directly related to our employees, we monitor our employees' views of our working environment.

How We Measure Our Performance

Our key outputs and outcomes

We have three primary outputs (services). (See Exhibit 2, page 11.) These are assurance (audit reports), advice (recommendations), and trained professionals for public service. Generally, our advice is a by-product of our assurance work. We deliver our services several ways.

We provide assurance and advice to government officials. We provide assurance by way of reports on financial statements, compliance with authorities, and the adequacy of management systems and practices. We provide advice and assurance by way of letters to management setting out our conclusions, findings, and recommendations for improvement.

We also provide assurance and advice to the Legislative Assembly and the public in our spring and fall reports to the Assembly. These reports summarize our work at government agencies. The reports provide assurance and advice on the whole Government, sectors of the Government and on each government agency's financial statements, the agency's compliance with authorities, and the adequacy of the agency's management systems and practices.

As shown in Exhibit 2 (page 11), our assurances and advice result in two final outcomes. These outcomes are improved public confidence in government and improved performance in the delivery of government programs. We think the Government can gain improved public confidence by improving its performance reports (i.e., business and financial plans and annual reports). We also think the Government can improve the delivery of its programs by acting on our recommendations.

Our trained professionals often leave our Office to work in the public service. They contribute to improved management in those agencies. During the year ended March 31, 2002, one of the six employees who left the Office continues to work in a public service position.

Our major input cost to provide our services is salaries and benefits. Salaries and benefits account for nearly 80% of our spending. We carefully monitor the use of staff time. Page 53 shows the actual and planned use of employee time for five years.

Measuring our performance

On pages 74 to 75, we also set out our indicators of success. They include the key performance indicators for our goals and objectives and our performance targets for those indicators.

Our 2002 Annual Report on Operations sets out our success in achieving the performance targets set out in our 2002 Business and Financial Plan.

Our Financial Plan

Historical comparison of the costs of our work plans

The cost of our work plan is directly affected by several factors including the state of the Government's management systems and practices, the number of government agencies, and the use of appointed auditors. Our financial and work plans reflect what we know about these factors at October 31, 2002.

The Government's use of appointed auditors affects our costs and the way we carry out our responsibilities. The use of appointed auditors reduces our costs, but increases the total cost of auditing to taxpayers. It costs more to audit when there are two auditors.

When the Government chooses to appoint a second auditor, we plan to carry out our responsibilities following the recommendations of the *Task Force on Roles, Responsibilities, and Duties of Auditors*. (This document is available on our web site.) Following these recommendations will ensure that we serve the Assembly efficiently.

It is the Government's decision to use appointed auditors. The Government has stated that it uses appointed auditors so the Saskatchewan industry of private sector public accounting can develop and retain local expertise. The Government also tries to ensure a reasonable allocation of work among the firms. The Government is accountable for the costs of using appointed auditors and, therefore, our financial plan does not reflect the money to pay appointed auditors. However, our detailed work plans reflect the known use

of appointed auditors because it impacts our costs and the way we carry out our work.

At October 31, 2002, the Government manages 263 departments, Crown agencies, and funds. Our detailed work plan is described on pages 42 to 47. This schedule sets out our costs to audit and report on government agencies for our fiscal year ended March 31, 2004. We also include detailed planned costs for our fiscal year ended March 31, 2003, and actual costs for the fiscal years ended March 31, 2001 and March 31, 2002.

Table 1 is a summary of costs to carry out our detailed work plans. The Table shows a five-year summary comparison of costs to discharge our responsibilities under *The Provincial Auditor Act*.

Table 1

(in $ millions)

Work Plan Costs Showing Our Costs to Audit Each Government Agency for Our Fiscal Years Ended March 31				
2001 Actual	**2002 Actual**	**2003 Planned**	**2004 Planned**	**2005 Planned**
$4.611	$4.729	$5.379	$5.405	$5.447
(Details on pages 42 to 47)				(Details to be determined in 2003)

The cost to carry out our work plan shows differences between years.

The $26,000 increase in our costs for 2004, as compared to 2003, results from the new agencies we must audit and the cost of matching the salary and benefit enhancements that the Government gave to public servants.

The Government reorganized and created several new agencies in 2003. Pages 48 to 51 lists new agencies created and wound up during 2003 that will cost us $49,000 to audit in 2004.

During 2002, job opportunities continued to increase for professional auditors and auditors training to become professionals. Government agencies are a key group of potential employers of our trained professionals. In order to retain our professional and other staff, we must offer competitive salaries and benefits to the public service. The Government gave economic salary adjustments to its employees of 2.5% on July 1, 2002 and increased benefits. The Government has also announced it will give a further 2.5% economic

salary adjustment effective July 1, 2003 and increase benefits. The effects of these salary and benefit adjustments increase our costs by $157,000 for 2004.

The $206,000 increases to our costs for 2004, described in the previous paragraphs, are reduced by our plan to do work differently in 2004. We plan to absorb $180,000 of the increased costs by continuing to find better ways to do our work. For 2004, we plan to reduce our workforce from 59 to 57 positions. On pages 42 to 47 we compare our detailed work plans for the years 2001 to 2004. We explain differences between the years on these pages.

More detailed explanations are contained in our annual reports on operations. For example, our 2002 Annual Report on Operations compares the planned costs to audit government agencies set out in our 2002 Business and Financial Plan to our actual costs for auditing those agencies. In that Report, we explain major differences between planned and actual costs.

The 2005 work plan costs in Table 1 reflect our performance target for 2004. We plan to absorb inflationary increases except for general salary and benefit increases that the Government gives to public servants. This cost projection also assumes that the number of government agencies, the quality of their management systems and practices, the use of appointed auditors, and total Government revenues and expenses will remain constant. In addition, it does not include recent changes to Canadian generally accepted assurance standards. We plan to assess the effect of these changes during the year and include any necessary increases in future plans. The $42,000 cost increase recognizes an increase to salary and benefit costs to reflect the remainder of the 2.5% economic salary adjustment the Government will give to its employees on July 1, 2003.

Impact of Alternative Funding Levels

What happens if we do not obtain sufficient revenue to finance our work plan

If we do not obtain sufficient revenue from the Standing Committee on Public Accounts, we will have to reduce our staff. We will then not be able to carry out our work plan.

We use a risk-based model to set priorities and allocate resources for our work plan. The model uses criteria to guide us in assessing the impact of each audit on our overall ability to serve the Legislative Assembly.

Our decisions reflect that we must provide assurance on the Government's financial statements. We must also provide assurance on the adequacy of the Government's management of public resources and its compliance with the law. If we are unable to obtain sufficient revenue, we will provide less service by not auditing certain agencies in the following sequence:

- revolving and other special purpose funds;
- agricultural marketing boards and commissions; and
- certain CIC related Crown corporations.

When we do not examine Government agencies, the Assembly does not receive our assurances on the Government's financial statements, its compliance with governing authorities, and the adequacy of its management of public resources.

If necessary, we will report to the Legislative Assembly which Government agencies we were unable to audit. When this is necessary, we are concerned with the impact this message has on public confidence in our system of Government.

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Appendix I – Detailed Information Supporting Our Business and Financial Plan

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Management's Responsibility for the Financial Forecast

The accompanying financial forecast consisting of a statement of revenues and expenditures included in the Business and Financial Plan for the Office of the Provincial Auditor for the year ending March 31, 2004 is the responsibility of management of the Office. Management has prepared the financial forecast in accordance with generally accepted accounting principles in Canada. The financial information presented elsewhere in this Business and Financial Plan is consistent with that in the financial forecast.

To ensure the integrity and objectivity of the financial data, management maintains an appropriate code of conduct, a comprehensive system of internal controls including written policies and procedures, and an organizational structure that segregates duties. These measures provide reasonable assurance that the most probable set of economic conditions are reflected in the assumptions the Office developed to prepare the financial forecast. These measures also provide reasonable assurance that the assumptions are suitably supported and consistent with the goals and plans developed by the Office, and provide a reasonable basis for the forecast.

The financial forecast was audited by the firm of Virtus Group LLP, Chartered Accountants and Business Advisors. Their report to the Standing Committee on Public Accounts stating the scope of their examination and opinion on the financial forecast appears on page 36.

November 28, 2002
Regina, Saskatchewan

Fred Wendel, CMA, CA
Provincial Auditor

AUDITOR'S REPORT ON FINANCIAL FORECAST

To the Standing Committee on Public Accounts:

The accompanying financial forecast of the Office of the Provincial Auditor consisting of a Statement of Revenues and Expenditures for the year ending March 31, 2004 has been prepared by management using assumptions with an effective date of October 31, 2002. We have examined the support provided by management for the assumptions, and the preparation and presentation of this forecast. Our examination was made in accordance with the applicable Auditing Guideline issued by The Canadian Institute of Chartered Accountants. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

In our opinion:

- as at the date of this report, the assumptions developed by management are suitably supported and consistent with the plans of the Office, and provide a reasonable basis for the forecast;
- this forecast reflects such assumptions; and
- the financial forecast complies with the presentation and disclosure standards for forecasts established by The Canadian Institute of Chartered Accountants.

Since this forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variances may be material. Accordingly, we express no opinion as to whether this forecast will be achieved.

November 28, 2002
Regina, Saskatchewan

Virtus Group LLP
CHARTERED ACCOUNTANTS

Statement of Revenues and Expenditures
For the Years Ended March 31

	2001 Actual	2002 Actual	2003 Estimate	2004 Forecast (Note 4)	2005 Projection
	($ Millions)	($ Millions)	($ Millions)	($ Millions)	($ Millions)
REVENUE:					
General Revenue Fund					
- Appropriation	$ 4.698	$ 5.136	$ 5.379	$ 5.405	$ 5.447
- Contingency Appropriation	-	-	0.348	0.350	0.353
Fees and other	0.086	0.056	0.045	0.024	0.024
Total Revenue	4.784	5.192	5.772	5.779	5.824
EXPENDITURE:					
Salaries (see page 52) (Note 6)	3.318	3.159	3.465	3.646	3.682
Person years					
2001 Actual - 58					
2002 Actual - 52					
2003 estimate - 57					
2004 Forecast - 57					
2005 Projection - 57					
Administration (Note 5)	0.524	0.562	0.555	0.551	0.551
Employee benefits	0.420	0.413	0.497	0.552	0.558
Rent of space	0.269	0.275	0.357	0.363	0.363
Agent and advisory services (Note 6)	0.110	0.390	0.361	0.144	0.144
Training and development (Note 7)	0.141	0.126	0.152	0.149	0.149
Total operating expenditure (Note 8)	4.782	4.925	5.387	5.405	5.447
Transfer to GRF (Note 9)					
- Return of Appropriation	-	0.509	0.340	0.350	0.353
- Fees and other	-	0.053	0.045	0.024	0.024
Total transfer to GRF	-	0.562	0.385	0.374	0.377
Total expenditure	4.782	5.487	5.772	5.779	5.824
Excess of revenue over expenditure (expenditure over revenue)	0.002	(0.295)	-	-	-
Net financial assets, beginning of year (Note 9)	0.293	0.295	-	-	-
Net financial assets, end of year (Note 9)	$ 0.295	$ -	$ -	$ -	$ -

(see accompanying notes on pages 38 to 40)

Statement of Revenues and Expenditures
For the Years Ended March 31

	2001 Actual	2002 Actual	2003 Estimate	2004 Forecast (Note 4)	2005 Projection
	($ Millions)	($ Millions)	($ Millions)	($ Millions)	($ Millions)
REVENUE:					
General Revenue Fund					
- Appropriation	$ 4.698	$ 5.136	$ 5.379	$ 5.405	$ 5.447
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Excess of revenue over expenditure (expenditure over revenue)	0.002	(0.295)	-	-	-
Net financial assets, beginning of year (Note 9)	0.293	0.295	-	-	-
Net financial assets, end of year (Note 9)	$ 0.295	$ -	$ -	$ -	$ -

(see accompanying notes on pages 38 to 40)

Notes to the Statement of Revenues and Expenditures For the Year Ended March 31, 2004

1. General Information

The financial information presented covers five years. The information for 2001 and 2002 comes from the Office's audited financial statements included in the Office's Annual Reports on Operations for those years. Virtus Group LLP, Chartered Accountants and Business Advisors audited the Office's 2001 and 2002 financial statements. The information for the 2003 estimate and the 2005 projection is not audited.

2. Summary of Accounting Policies

The Office used accounting principles recommended by The Canadian Institute of Chartered Accountants to prepare this financial information. The Office considers the following accounting principles to be significant:

(a) Basis of Accounting

The financial information is prepared on the expenditure basis of accounting. Expenditures are the cost of goods and services acquired in the year whether or not the Office has made payment.

(b) Revenue

The Office records the appropriation from the General Revenue Fund when it is receivable.

The Office recognizes fee revenue based on the percentage of work completed for those government agencies that have signed contracts to pay fees or have otherwise agreed to pay the fees.

(c) Tangible Capital Assets

Tangible capital assets are charged to expenditure when purchased rather than when consumed.

3. Financial Information is a Forecast

The financial information presented for 2004 is a forecast, and accordingly actual results will vary and the variations may be material. The Office will report actual results compared to planned results for 2003 and 2004 in the Office's 2003 and 2004 Annual Reports on Operations. The Office provides its Annual Report on Operations to the Legislative Assembly.

4. Assumptions

The Office prepared the financial information for the year ended March 31, 2004 using the assumptions presented in these notes to the financial information. The assumptions reflect the Office's planned course of action for this period as set out on pages 57 to 77. The Office based the assumptions on management's judgement of the most probable set of economic conditions for this period based on known information at October 31, 2002. The significant assumptions are:

- *Revenue current year's appropriation* is the amount of money the Office needs from the General Revenue Fund to finance operations. The Office returns any amounts not required during the year to the General Revenue Fund at year-end.

- *Revenue contingency appropriation* is the amount of money from the General Revenue Fund required for unforeseen expenses. The Office returns any amounts not required during the year to the General Revenue Fund at year-end.

- *Fees and other* includes fees charged to other agencies for ancillary services and other income. The Office deposits all revenues to the General Revenue Fund.

- *Salaries* are based on 57 full time equivalents at an average salary cost of $63,965 (see page 52).

- Average salary cost is determined using best estimates of expected pay for current and new employees based on past trends and expected economic conditions. The average increase to salaries includes the 2.5% July 1, 2002 and 2.5% July 1, 2003 economic adjustments the Government provided to other public sector workers. Average salary cost also reflects the effect on our salary costs of six professional accountants leaving the Office and hiring six new staff.

- The 57 person years reflects the number of persons necessary to obtain 62,000 audit hours to audit the agencies set out on pages 43 to 44. The 62,000 audit hours takes into account known information at October 31, 2002 about; the state of the government's systems and practices, the number of government agencies, and the Government's use of appointed auditors. The Office based the number of persons necessary to achieve 62,000 audit hours on the planned use of employee time set out on pages 53 to 54.

- *Employee benefits* include the costs of the following benefits: Canada pension plan, employment insurance, workers' compensation, public employees pension plan, public employees dental plan, public employees disability income plan, public employees group life plan, and public employees extended health plan. The costs reflect current rates charged for these benefits including the increases to benefits the Government provided to other public sector workers effective July 1, 2002 and July 1, 2003, plus known rate increases for federal statutory benefits.

- *Administration* reflects management's best estimates based on past trends and current economic conditions for costs such as: travel to audits, computer hardware and software purchases and maintenance, professional fees and dues, telephone, printing, and office supplies.

- *Rent of space and office equipment* is nearly all for office space and is based on a new ten-year lease that commenced April 1, 2002.

- *Agent and advisory services* represents management's best estimates for legal costs, the cost of auditing the Office, and other contractual services. In 2002 and 2003, due to staff turnover, maternity and other leaves of absence, and the need to continue to advance deadlines resulting from amendments to *The Tabling of Documents Act, 1991,* it was necessary to contract additional resources. However, as the Office planned our staffing levels to be at 57 full-time equivalent positions during 2004, our contracting requirements for 2004 will be significantly less than in 2002 and 2003.

- *Training and development* costs are the Office's out-of-pocket costs to train staff to become professional accountants, keep the knowledge and skills of current professional accountants up-to-date, and gain knowledge in specialized areas. The Office based the costs on past trends and office policies. (See pages 55 to 56.)

5. Administration

In 2002, the Office acquired ergonomic workstations to provide a healthier work environment for our auditors increasing our costs by $47,000. In 2003, our costs for travel to audits increased by approximately $30,000.

6. Agent and Advisory

In 2002 and 2003, the Office contracted staff to assist in meeting the new deadlines resulting from changes to *The Tabling of Documents Act, 1991*. The Office also required the extra contract staff as several staff were on maternity and other leaves of absence during 2002 and 2003.

7. Training and Development

In 2002, due to established priorities, the Office did not carry out part of its annual management training program. In 2003, the Office was able to carry out its annual management training program. The Office plans to carry out this program in future years.

8. Total expenditure

The Office's actual spending for the seven months ended October 31, 2002 was $3.011 million (unaudited).

9. Transfer to General Revenue Fund

The Provincial Auditor Amendment Act, 2001 requires the Office to deposit all fees and other revenues to the General Revenue Fund. In addition, the Act requires the Office to return any excess appropriations to the General Revenue Fund. The Office anticipates that it will deposit $45,000 of fees and $340,000 of our contingency appropriation to the General Revenue Fund for March 31, 2003.

In the past, the Office maintained net financial assets equal to approximately one month's salary and benefit expenses. This practice allowed our Office to manage unforeseen circumstances effectively. To enable the Provincial Auditor to retain the independence to manage effectively, the Public Accounts Committee recommended that the amended Act should provide for the Provincial Auditor to obtain an extra appropriation each year. The amended Act provides for a contingency appropriation to replace the Office's net financial assets.

Statement of Revenue and Expenses
For the Years Ended March 31

	2001 Actual	2002 Actual	2003 Estimate	2004 Forecast (Note 4)	2005 Projection
	($ Millions)	($ Millions)	($ Millions)	($ Millions)	($ Millions)
REVENUE:					
General Revenue Fund					
- Current Year's Appropriation	$ 4.698	$ 5.136	$ 5.379	$ 5.405	$ 5.447
- Contingency Appropriation	-	-	0.348	0.350	0.353
Fees and other	0.111	0.056	0.045	0.024	0.024
Total Revenue	4.809	5.192	5.772	5.779	5.824
EXPENSES:					
Salaries (Note 6)	3.318	3.159	3.465	3.646	3.682
Administration (Note 5)	0.533	0.535	0.573	0.561	0.558
Employee benefits	0.420	0.413	0.497	0.552	0.558
Rent of space	0.269	0.275	0.357	0.363	0.363
Agent and advisory services (Note 6)	0.110	0.390	0.361	0.144	0.144
Training and development (Note 7)	0.141	0.126	0.152	0.149	0.149
Total operating expense	4.791	4.898	5.405	5.415	5.454
Transfer to GRF (Note 9)					
- Return of unused Appropriation	-	0.509	0.340	0.350	0.353
- Fees and other	0.025	0.053	0.045	0.024	0.024
Total transfer to GRF	0.025	0.562	0.385	0.374	0.377
Total expense	4.816	5.460	5.790	5.789	5.831
Annual surplus (deficit)	(0.007)	(0.268)	(0.018)	(0.010)	(0.007)
Net assets, beginning of year (Note 9)	0.418	0.411	0.143	0.125	0.115
Net assets, end of year (Note 9)	$ 0.411	$ 0.143	$ 0.125	$ 0.115	$ 0.108

This statement is included for informational purposes. This statement uses the expense basis of accounting. We include this statement because we report our actual results in our Annual Report on Operations on the expense basis of accounting.

Statement of Revenue and Expenses
For the Years Ended March 31

	2001 Actual	2002 Actual	2003 Estimate	2004 Forecast (Note 4)	2005 Projection
	($ Millions)	($ Millions)	($ Millions)	($ Millions)	($ Millions)
REVENUE:					
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This statement is included for informational purposes. This statement uses the expense basis of accounting. We include this statement because we report our actual results in our Annual Report on Operations on the expense basis of accounting.

Schedule of Actual and Planned Costs to Audit Government Agencies as at March 31

The following schedule shows our actual costs to audit government agencies for our fiscal years April 1, 2000 to March 31, 2001 (2001 actual) and April 1, 2001 to March 31, 2002 (2002 actual). The schedule also shows our planned costs to audit government agencies for our fiscal years April 1, 2002 to March 31, 2003 (2003 planned) and April 1, 2003 to March 31, 2004 (2004 planned).

The "nature of each examination", except for the Saskatchewan Safety Council, is described in section 11 of *The Provincial Auditor Act*, which states:

> *11(1) The Provincial Auditor is the auditor of the accounts of the government of Saskatchewan and shall examine all accounts related to public money and any accounts not related to public money that he is required by an Act to examine, and shall determine whether, in his opinion:*
>
> *(a) the accounts have been faithfully and properly kept;*
>
> *(b) public money has been fully accounted for and properly disposed of, and the rules and procedures applied are sufficient to ensure an effective check on the assessment, collection and proper allocation of public money;*
>
> *(c) public money expended has been applied to the purposes for which it was appropriated by the Legislature and the expenditures have adequate statutory authority; and*
>
> *(d) essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public money.*

The information for 2001 and 2002 comes from the Schedule of Actual Costs to audit Government Agencies included in our 2001 and 2002 Annual Reports on Operations. Virtus Group LLP, Chartered Accountants and Business Advisors audited those schedules. Also, those schedules provide a comparison of our planned and actual costs to audit agencies for those years and an explanation for significant differences.

Schedule of Actual and Planned Costs to Audit Government Agencies as at March 31

Department or Agency	2001 Actual	2002 Actual	2003 Planned	2004 ** Planned
Department of Agriculture, Food and Rural Revitalization	$ 278,411	$ 275,767	$ 292,714	$ 278,543
Department of Corrections and Public Safety	-	-	-	29,425
Department of Culture, Youth and Recreation	-	1,971	14,775	120,771 (1)
Department of Economic and Co-operative Development	16,641	28,662	61,686	-
Department of Education	207,618	137,380 (17)	171,770	-
Department of Energy and Mines	48,583	63,097	78,760	-
Department of Environment	136,747	162,802	150,625	175,011
Department of Finance	457,811	505,072 (18)	618,710 (10)	661,120 (2)
Department of Government Relations and Aboriginal Affairs	-	-	-	118,291
Department of Health	492,484	570,132 (19)	624,508 (11)	583,683 (3)
Department of Highways and Transportation	99,456	61,664	125,124 (12)	157,713
Department of Industry and Resources	-	-	-	65,940
Department of Intergovernmental and Aboriginal Affairs	12,638	20,855	16,348	-
Department of Justice	174,527	150,252	189,089	168,500
Department of Labour	8,546	60,508 (20)	51,549	64,933
Department of Learning	-	-	-	675,769
Department of Municipal Affairs and Housing	244,830	195,400 (21)	223,463	-
Department of Post-Secondary Education and Skills Training	502,814	551,607 (22)	576,051	-
Department of Social Services	137,164	171,749	174,107	254,389 (4)
Crown Investments Corporation of Saskatchewan	72,900	56,099	70,696	92,137
Executive Council	26,365	19,070	18,007	18,459
Information Services Corporation of Saskatchewan	4,632	7,743	6,656	46,852 (5)
Legislative Assembly	40,407	40,967	47,358	45,226
Municipal Financing Corporation of Saskatchewan	2,261	2,771	2,240	2,290

Department or Agency	2001 Actual	2002 Actual	2003 Planned	2004 ** Planned
Public Service Commission	$ 8,365	$ 7,027	$ 7,976	$ 9,452
Rural Revitalization Office	-	-	7,840	-
Saskatchewan Development Fund Corporation	1,808	4,087	6,338	6,486
Saskatchewan Forest Products Corporation	892	-	-	-
Saskatchewan Gaming Corporation	85,273	99,132	70,887	118,619 (6)
Saskatchewan Government Growth Fund Management Corporation	18,104	34,253	19,298	19,674
Saskatchewan Government Insurance Corporation	47,696	44,211	98,320 (13)	116,593
Saskatchewan Liquor and Gaming Authority	239,019	299,690 (23)	315,885	245,080 (7)
Saskatchewan Municipal Board	2,711	2,855	3,320	3,420
Saskatchewan Opportunities Corporation	11,525	7,328	12,080	6,133
Saskatchewan Power Corporation	34,133	35,396	95,440 (14)	96,228
Saskatchewan Property Management Corporation	8,352	14,154	12,412	12,652
Saskatchewan Research Council	61,858	73,319	70,571	72,745
Saskatchewan Safety Council	18,777	18,381	14,025	16,520
Saskatchewan Telecommunications	40,027	56,969	56,216	95,002
Saskatchewan Transportation Company	6,485	8,097	11,711	8,550
Saskatchewan Water Corporation	48,151	22,484	17,684	14,979
SaskEnergy Incorporated	18,417	29,006	22,704	82,412 (8)
Women's Secretariat	3,294	4,126	3,550	-
Workers' Compensation Board	56,829	56,627	53,085	82,360
Government-Wide, Sectoral, and Special Issue Audits	516,945	445,716 (24)	519,951 (15)	390,033 (9)
Legislative Committees and Annual Report	376,389	382,409	445,471 (16)	448,725
TOTAL	4,569,885	4,728,835	5,379,000	5,404,715
Secondments	41,238	-	-	-
TOTAL INCLUDING SECONDMENTS	$ 4,611,123	$ 4,728,835	$ 5,379,000	$ 5,404,715
Average cost per audit hour*	$ 77.94	$ 77.41	$ 79.71	$ 84.05

* The average cost per audit hour is the total expenditure for the year from page 37, less direct costs, divided by the total audit hours for all employees for the year (see page 53). The increase in the average cost per hour is primarily due to increasing salaries and benefits which are based on the economic adjustments to salaries and benefits given to public servants (see page 52).

** The government reorganized in 2003. See pages 48 to 51 for the list of agencies created and wound up.

Explanations for Differences Greater Than $40,000 Between Years

2004 Planned Costs

(1) ***Department of Culture, Youth and Recreation*** – Our 2004 planned costs are approximately $106,000 more than our 2003 planned costs. This increase is due to the government reorganization on April 1, 2002. The Department of Culture, Youth and Recreation is now responsible for agencies that the disestablished Department of Municipal Affairs and Housing was previously responsible.

(2) ***Department of Finance*** – Our 2004 planned costs are approximately $42,000 more than our 2003 planned costs. For 2004, our planned costs increased by approximately $33,000 to audit the new agencies. Also, in 2004 we plan to spend $16,000 to examine best practices followed by Superintendents of Pensions in Canada for regulating pension plans and to follow up on past recommendations regarding pension governance.

(3) ***Department of Health*** – Our 2004 planned costs are less than our 2003 planned costs by approximately $41,000. For 2003, our planned costs included $122,000 to audit accountability for infrastructure cost and ineffective health procedures. Our 2004 planned costs do not include costs for these projects. For 2004, planned costs increase by approximately $50,000 because of the increased audit risks associated with the amalgamation of 32 health districts into 12 regional health authorities. Also, for 2004 we plan to audit two new crown agencies that increase our planned costs by approximately $31,000.

(4) ***Department of Social Services*** – Our 2004 planned costs are approximately $80,000 more than our 2003 planned costs. For 2004, we plan to examine the Department's processes to help social assistance recipients to get off welfare. This increases our costs by approximately $60,000. Also for 2004, the audit of Saskatchewan Housing Corporation was transferred to the Department from the Department of Municipal Affairs and Housing.

(5) ***Information Services Corporation of Saskatchewan*** – Our 2004 planned costs are approximately $40,000 more than our 2003 planned costs. This increase relates to following up the special audit work done at the request of the Standing Committee on Crown Corporations.

(6) ***Saskatchewan Gaming Corporation*** – Our 2004 planned costs are more than our 2003 planned costs by approximately $48,000. For 2004, our planned costs increase approximately $18,000 to audit operations of a new casino in Moose Jaw. Also, we plan to follow up on the Corporation's progress to implement our recommendations for gaming integrity that increase our planned costs by approximately $30,000.

(7) ***Saskatchewan Liquor and Gaming Authority*** – Our 2004 planned costs are approximately $71,000 less than our 2003 planned costs. 2004 is based upon an expectation that Saskatchewan Liquor and Gaming Authority and Saskatchewan Indian Gaming Authority Inc. have adequate practices to manage public money.

(8) ***SaskEnergy Incorporated*** – Our 2004 planned costs are approximately $60,000 more than our 2003 planned costs. For 2004, we plan to audit the development of SaskEnergy's new management information system, *OneWorld*. This increases our costs by approximately $40,000. We also plan to do a special audit of SaskEnergy's Gas Cost Variance Account. This increases our costs by approximately $16,000.

(9) ***Government-Wide, Sectoral, and Special Issue Audits*** – Our 2004 planned costs are less than our 2003 planned costs by approximately $130,000. In 2004, we planned fewer government-wide information technology audits because of the information technology audits planned for SaskEnergy and the Department of Finance.

2003 Planned Costs

(10) ***Department of Finance*** – Our 2003 planned costs are more than our 2002 actual costs by approximately $114,000. Planned costs for 2003 include approximately $47,000 to audit the Department's processes to implement phase 1 of its project to replace its centralized financial and human resources system. For 2002, our actual costs for auditing the Public Accounts Volume 1 were approximately $31,000 less than anticipated due to audit efficiencies and less new significant issues than expected. Also, for 2002, our actual costs were approximately $15,000 less due to a lower volume of securities to be cancelled and destroyed, less work on prospectus filings, and because no financial statements were prepared for the Fiscal Stabilization Fund.

(11) ***Department of Health*** – Our 2003 planned costs are approximately $54,000 more than our 2002 actual costs. For 2003, most of the planned increased costs are to audit of the Department's *Comparable Health Indicators Report.*

(12) ***Department of Highways and Transportation*** – Our 2003 planned costs are approximately $63,000 more than our 2002 actual costs. Our audits of the Department and its funds had been falling behind due to staff and system changes at the Department and delays in preparing its funds' financial statements. To catch up, we did the 2000 and 2001 audits for the Department at the same time. This resulted in a saving of approximately $30,000 for 2002. Also, improvements at the Department combined with audit efficiencies resulted in less costs of approximately $20,000 for the 2002 funds' audits. Our planned costs for 2003 also include approximately $13,000 to prepare financial statements for the Department.

(13) ***Saskatchewan Government Insurance Corporation*** – Our 2003 planned costs are approximately $54,000 more than our 2002 actual costs. Our planned costs are approximately $16,000 higher because of the acquisition of two insurance companies by SGI. In addition, our planned costs will increase approximately $30,000 to work with SGI on its risk management processes.

(14) ***Saskatchewan Power Corporation*** – Our 2003 planned costs are approximately $60,000 more than our 2002 actual costs. Our plan to audit SaskPower's processes to achieve benefits from its new integrated computer system increased our planned costs for 2003 by approximately $43,000. Also for 2003, we planned to audit SaskPower's new subsidiary NorthPoint Energy Solutions Inc. and increasing investments by SaskPower International Inc. This increased our costs by approximately $14,000.

(15) ***Government-Wide, Sectoral, and Special Issue Audits*** – Our 2003 planned costs are more than our 2002 actual costs by approximately $74,000. To complete all of our 2002 work would cost a further $77,000. As a result, our 2003 planned costs are approximately $3,000 less than our 2002 actual costs.

(16) ***Legislative Committee and Annual Reports*** – Our 2003 planned costs are approximately $63,000 more than our 2002 actual costs. For 2002, fewer staff had to attend the Standing Committee on Crown Corporation meetings than originally planned resulting in a cost savings of $9,000. Also, we reduced our costs for preparing and publishing our public reports by approximately $48,000 in 2002.

2002 Actual Costs

(17) ***Department of Education*** – Our 2002 actual costs are approximately $70,000 less than our 2001 actual costs. Our 2001 costs included costs to audit the Department's K to 12 performance indicators.

(18) ***Department of Finance*** – Our 2002 actual costs are more than our 2001 actual costs. For 2002, our actual costs increased by $22,000 to audit three new employee benefit plans. Also, in 2002, we spent approximately $23,000 more to improve our Fall Volume 1 report. The improvements included inter-provincial comparisons and a suggested budgeting model to report the financial plan for the entire Government.

(19) ***Department of Health*** – Our 2002 actual costs are more than our 2001 actual costs for two reasons. In September 2000, all First Ministers in Canada agreed to prepare public reports on their health systems' performance (i.e., health status, health outcomes, and quality of services) by September 2002. The

Department of Health and our Office have agreed to work together so that in a few years the Department will be able to prepare reliable public reports on the performance of our health system. Until we are able to provide positive assurance on the Department's performance reports, we will report annually on the Department's progress. This additional work increased our costs by approximately $52,000. Our costs are also increased by approximately $20,000 to advance the deadlines resulting from amendments to *The Tabling of Documents Act, 1991*.

(20) ***Department of Labour*** – Our 2002 actual costs are approximately $52,000 more than our 2001 actual costs. The increase for 2002 was due primarily to the examination of the Occupational Health and Safety Program where we identified the Department's key risks including the Government's financial risks related to the Department's regulatory systems and practices.

(21) ***Department of Municipal Affairs and Housing*** – Our 2002 actual costs are approximately $49,000 less than our 2001 actual costs. For 2001, changes to agencies' accounting systems and financial reporting issues caused additional audit costs. The additional work during 2001 allowed us to use a more efficient audit approach in 2002.

(22) ***Department of Post-Secondary Education and Skills Training*** – Our 2002 actual costs are approximately $49,000 more than our 2001 actual costs. For 2002, we required more time to audit significant amendments to the university pension plans and a full year's operations of the Saskatchewan Apprenticeship and Trade Certification. This increased our costs by approximately $34,000. Our costs are also increased by approximately $15,000 to advance the deadlines resulting from amendments to *The Tabling of Documents Act, 1991*.

(23) ***Saskatchewan Liquor and Gaming Authority*** – Our 2002 actual costs are approximately $61,000 more than our 2001 actual costs. Our 2002 costs are higher because in 2002 we did more work to provide an update on the Saskatchewan Indian Gaming Authority's progress towards complying with the recommendations we made in our 2000 Fall Report - Volume 2. We reported the update in our 2001 Fall Report - Volume 2.

(24) ***Government-Wide, Sectoral, and Special Issue Audits*** – Our 2002 actual costs are less than our 2001 actual costs by approximately $71,000. To complete all of our work would cost a further $77,000. As a result, our 2002 actual costs are approximately $6,000 more than our 2001 actual costs.

Government Agencies Created in 2002-2003

The following agencies were created during 2002-2003 and result in more work for us in 2003-2004. As a result, we request additional resources in 2003-2004 to do these audits:

Department of Corrections and Public Safety	$ 29,400	$ 29,400
Department of Finance		
Extended Health Plan for Retired Employees	6,900	
Extended Health Plan for Certain Other Retired Employees	6,900	
SaskPower Millenium Trust Fund	7,900	
Education Infrastructure Financing Corporation	11,100	32,800
Department of Government Relations and Aboriginal Affairs		
Department of Government Relations and Aboriginal Affairs	65,600	
The Government House Foundation	4,700	70,300
Department of Health		
Health Quality Council	15,700	
Sun Country Regional Health Authority	15,300	
Five Hills Regional Health Authority	15,000	
Cypress Regional Health Authority	15,000	
Regina Qu'Appelle Regional Health Authority	64,900	
Sunrise Regional Health Authority	15,000	
Saskatoon Regional Health Authority	15,300	
Heartland Regional Health Authority	15,000	
Kelsey Trail Regional Health Authority	15,000	
Prince Albert Parkland Reginal Health Authority	15,000	
Prairie North Regional Health Authority	15,000	
Keewatin Yeathe Regional Health Authority	12,000	
Mamawetan Churchill River Regional Health Authority	12,000	
Saskatchewan Health Research Foundation	15,700	255,900
Department of Industry and Resources	63,000	63,000
Department of Learning	85,000	85,000
Department of Social Services		
Legal Aid Endowment Fund Trust	400	400
Crown Investments Corporation of Saskatchewan		
101012875 Saskatchewan Ltd.	2,100	
CIC OSB Products Inc.	3,200	
101012876 Saskatchewan Ltd.	2,600	
101026817 Saskatchewan Ltd.	3,200	
101024977 Saskatchewan Ltd.	2,600	13,700
Saskatchewan Telecommunications		
Navigata Pension Plan	2,300	
Retx Inc.	3,200	5,500

SaskEnergy Incorporated		
SaskEnergy Mexican Holdings Ltd.	400	
Sask First Call Corporation	400	
SaskEnergy Nova Scotia Holdings Ltd.	1,600	2,400
		$ 558,400

We submit our request for resources in November of a year (2002) for the next April to March fiscal (2003-2004) year. Our request is for the purpose of auditing government agencies for their years ended in the period January 1, 2003 to December 31, 2003. We base our request on information known to October 31, 2002. We will reflect information received after that date in our next request for resources.

Government Agencies Wound Up in 2002-2003

The following agencies were wound up during 2002-2003 and result in less work for us in 2003-2004. As a result, we do not request resources in 2003-2004 to do these audits:

Department of Economic and Co-operative Development	$ 61,700	$ 61,700
Department of Education	98,700	98,700
Department of Energy and Mines	75,800	75,800
Department of Health		
Assiniboine Valley District Health Board	-	
Battlefords District Health Board	10,300	
Central Plains District Health Board	-	
East Central District Health Board	10,300	
Gabriel Springs District Health Board	-	
Greenhead District Health Board	-	
Keewatin Yathe District Health Board	-	
Living Sky District Health Board	-	
Lloydminster District Health Board	-	
Mamawetan Churchill River District Health Board	-	
Midwest District Health Board	-	
Moose Jaw-Thunder Creek District Health Board	-	
Moose Mountain District Health Board	-	
North Central District Health Board	10,300	
North East District Health Board	-	
North Valley District Health Board	-	
Northwest District Health Board	-	
Parkland District Health Board	10,300	
Pasquia District Health Board	10,300	
Pipestone District Health Board	-	
Prairie West District Health Board	-	
Prince Albert District Health Board	-	
Regina District Health Board	59,300	
Rolling Hills District Health Board	10,300	
Saskatoon District Health Board	15,000	
South Central District Health Board	10,300	
South Country District Health Board	-	
South East District Health Board	-	
Southwest District Health Board	-	
Swift Current District Health Board	-	
Touchwood Qu'Appelle District Health Board	10,300	
Twin Rivers District Health Board	-	156,700
Department of Intergovernmental and Aboriginal Affairs	16,300	16,300
Department of Municipal Affairs and Housing	41,000	41,000
Department of Post-Secondary Education and Skills Training	46,200	46,200

Rural Revitalization Office	7,800	7,800
Women's Secretariat	3,500	3,500
SaskPower Northern Enterprise Fund Inc.	2,000	2,000
		509,700

We submit our request for resources in November of a year (2002) for the next April to March fiscal (2003-2004) year. Our request is for the purpose of auditing government agencies for their years ended in the period January 1, 2003 to December 31, 2003. We base our request on information known to October 31, 2002. We will reflect information received after that date in our next request for resources.

Forecast and Actual
Full Time Equivalent Positions and Average Salaries

Information on full time equivalent positions and salary levels

	Full Time Equivalent Positions			Average Salaries[1]		
Fiscal Year Ended	Forecast	Actual	[2]	Forecast	Actual	[2]
1990	51	51		$ 45,500	$ 43,500	
1991	52	50		44,400	43,100	
1992	60	59		44,500	44,900	
1993	64	58		48,800	49,000	
1994	69	61		48,100	47,000	
1995	66	62		48,200	49,200	
1996	63	62		48,700	50,360	
1997	63	63		48,400	48,773	
1998	62	62		48,700	50,358	
1999	61	61		50,000	52,377	
2000	60	59		52,200	53,932	[3]
2001	59	58		56,220	57,210	
2002	59	52	[4]	58,980	60,750	[4]
2003	59	57	[5]	62,085	60,789	[5]
2004	57			63,965		

[1] Our average salaries have increased from 1990 to 2004 primarily due to the Provincial Auditor's staff receiving similar economic adjustments as those the Government provided to public servants. We set out below the economic adjustments the Government provided to public servants. These economic adjustments alone would cause our average salary at March 31, 1990 to increase from $43,500 per year to $58,460 by March 31, 2004. The rest of the increase, to $63,965 for 2004, was caused by our need to respond to market pressures in 2001. The economy provided more opportunities for new university graduates causing increased starting salaries. We increased our starting salaries six percent for 2001. This decision impacted salaries for all staff training to become professional accountants. Also, the economy created more opportunities and higher salaries for recently qualified professional accountants. We note the Government responded to this market pressure and provided a special increase to the salaries of professional auditors ranging from 5% to 12%. We also responded to these market pressures in 2001.

July 1, 1989	4%	July 1, 1997	1%	July 1, 2001	3%
July 1, 1990	4%	July 1, 1998	3%	July 1, 2002	2.5%
July 1, 1991	4%	July 1, 1999	2%	July 1, 2003	2.5%
July 1, 1994	2%	July 1, 2000	2%		

[2] Actual full-time equivalent positions and average salaries on this page represent the information for our employees only.

[3] Average salaries at March 31, 2000 after adjustment for a $81,000 decrease in accrued vacation pay.

[4] A number of staff were on maternity and other leaves this year. We replaced these staff by contracting staff from accounting firms. This changed the usual composition of our normal average salary.

[5] Estimated number of full-time equivalent positions and average salaries at October 31, 2002. Our composition for 2003 has been impacted by most turnover occurring at senior levels, thus decreasing our average salary.

Schedule of Actual and Planned Time Employees Spend on Tasks For the Years Ended March 31

	Actual			Planned	
Employee time	**2000**	**2001**	**2002**	**2003**	**2004**
Working hours	84%	84%	85%	85%	85%
Vacation leave and statutory holidays	14%	13%	13%	13%	13%
Sick leave	2%	3% [1]	2%	2%	2%
Total paid hours	100%	100%	100%	100%	100%
Working hours tasks					
Audits	62%	63%	65% [2]	66% [3]	66%
Support services	14%	14%	14%	11% [3]	12%
Office administration	16%	15%	14%	15%	13% [4]
Training	8%	8%	7% [2]	8%	9%
Total work hours	100%	100%	100%	100%	100%
Number of full time equivalent positions before secondments	58	58	55	59	57
Secondments	1	0	0	0	0
Total full time equivalent positions	59	58	55	59	57

(see accompanying notes to the schedule on page 54)

[1] In 2001, one employee had a lengthy illness.

[2] Time spent on audits increased during 2002 in order to advance our work to meet the new *Tabling of Documents Act, 1991* deadlines. As a result, we did not carry out part of our annual management training program as originally planned for 2002.

[3] In 2003, we have one support services staff member training to work in our auditing area thus increasing our audit hours.

[4] In 2004, we are allocating less time to office administration as our strategic planning process for the next four years was completed in 2003.

Notes to the Schedule of Actual and Planned Time Employees Spend on Tasks For the Years Ended March 31

1. Purpose

This schedule shows employee tasks and the percentage of time employees spend on these tasks. The schedule shows actual percentages for the years ended March 31, 2000 to March 31, 2002. The schedule also shows planned percentages for these tasks for the years ended March 31, 2003 and 2004.

The information for 2000, 2001, and 2002 comes from the Schedule of Actual Time Employees Spend on Tasks included in our Annual Reports on Operations for those years. The 2000, 2001, and 2002 schedules were audited by Virtus Group LLP, Chartered Accountants and Business Advisors.

2. Definitions

Working hours - This is the time available after deducting vacation leave, statutory holidays, and sick leave.

Vacation leave and statutory holidays - Employees receive paid vacation leave. Leave is based on years of service. Employees also receive 11 paid statutory holidays.

Sick leave - Employees receive paid sick leave. The amount of paid leave is based on years of service.

Total paid hours - This is the total of working hours, vacation leave and statutory holidays, and sick leave. Employees must account for a minimum of 1950 total paid hours per year to receive full pay.

Secondments - Secondments refers to arrangements when the Office's staff work for others (e.g. Government agencies) under their direction.

Audit hours - This is the time employees spend on the audits set out in the Detailed Work Plan on page 42. This time includes secondments. Audit hours do not include the time spent on support services, office administration, and training.

Support services - This is the time employees spend on accounting, computer maintenance and support, and other administrative support.

Office administration - This is time employees spend on human resource activities, internal committees and working groups, office-wide and group planning activities, and time that does not fall within any other working hours task category.

Training - This is time employees spend on staff development courses and seminars. The time includes both employee attendance time and instructor time when our employees instruct our internal courses.

Full-time equivalent positions - This represents the total paid months divided by twelve months.

3. Time Allocation Policies

Employees are required to record on time sheets actual time spent on each task to the nearest quarter hour. The employees' supervisors approve the employees' time sheets. The Office records the time shown on the time sheets. The Office uses the information derived from the time sheets to pay employees and to monitor employees' performance. The Office also uses this information to determine the actual costs to audit government agencies.

Training Schedule

Information on the cost of training. The schedule shows the staff hours, staff salary cost and out-of-pocket costs.

	Forecast			Actual		
Fiscal Year	Hours[1,2]	Salary Cost	Out-of-Pocket Cost	Hours[1,2]	Salary Cost	Out-of-Pocket Cost
1995-96	8,968	$199,416	$150,010	8,814	$184,271	$132,914
1996-97	8,659	174,629	149,575	8,808	177,071	122,257
1997-98	8,100	162,600	145,500	8,639	188,444	136,155
1998-99	8,947 [3]	170,665 [3]	151,540 [3]	8,023 [4]	188,320 [4]	148,531 [4]
1999-00	8,720	205,791	149,000	7,946 [5]	175,144 [5]	116,310 [5]
2000-01	9,043	206,582	149,000	8,191 [6]	197,399 [6]	141,392 [6]
2001-02	8,213 [7]	208,509 [7]	149,000 [7]	5,943 [8]	156,416 [8]	126,425 [8]
2002-03	7,410 [9]	210,508	149,000	7,043 [10]	209,360 [10]	152,289 [10]
2003-04	7,919 [11]	213,567	149,000			

1 We are a training office for people to become Chartered Accountants (CAs). We pay salaries about $9,000 per year less than the starting salary for a Business Auditor hired through the Public Service Commission. Our training costs for CA students (attending the new CA School of Business) are about $4,800 per year. It takes three years to become a CA. Accordingly, we save about $4,200 per year whenever we can use a student to do the required work.

2 We continue to update our training survey that was initiated from a request of the Board of Internal Economy. In early 1999, we did a survey of the legislative auditors across Canada and four of the largest national auditing firms in Regina. We received replies from nine of the legislative auditors and two of the national auditing firms. Following are the results of the survey based on 1998 training policies:

Type of training	Legislative Auditors Average 1998	National Auditing Firms Average 1998	Provincial Auditor Saskatchewan 1998	Provincial Auditor Saskatchewan Forecast 2004
Training new staff to become professionals	11 days	16 days	11 days	11 days
Keeping our existing professional staff current	7 days	16 days	6 days	6 days
Specialized training (e.g., computers, pensions, tax, etc.)	9 days	33 days	11 days	13 days

We also note, in January 1995, the Institute of Chartered Accountants of Saskatchewan reported on professional development (training) in its newsletter *Horizons*. The Institute reported that in 1994 Chartered Accountants spent about 70 hours (approximately 9 days) on training activities.

[3] In 1998-99, our planned costs reflected our decision to hire two trainees who will do the Master of Professional Accounting Program (MPAcc) at the University of Saskatchewan. This decision would increase training costs by $8,710. Our recruiting for that year did not result in the hiring of students willing to pursue MPAcc.

[4] Our training hours decreased due to not having MPAcc student time. However, we increased our IT training for support staff due to the loss of a key staff member. The salary cost of this training is higher than savings from the decreased student training.

[5] Our hours and costs decreased due to established priorities. We did not carry out part of our annual management training program.

[6] Our hours decreased as we spent less time on our in-house training courses than originally planned for the year.

[7] Our forecast included an increase in the training for our specialists and a decrease in the number of students preparing for final exams in their professional accounting program. The salary cost of the specialist training is higher than the savings from the decreased student training.

[8] Our hours and costs decreased because we deferred some of our senior management training program in 2002 as a result of changing priorities for advancing audit deadlines.

[9] Our forecast includes a decrease in the hours necessary for training our students. The format of the new CA School of Business does not require the students to have as much paid leave as was required by the training program of The Institute of Chartered Accountants of Saskatchewan.

[10] Estimate at October 31, 2002.

[11] Our forecast includes an increase in hours necessary for the paid leave of our CA School of Business students. We will have several students completing their final year of the program as well as new students beginning the program in 2004. In 2003, none of our students were in the final year of the CA School of Business program which significantly decreased our paid leave hours for students.

Summary of Our 2004 – 2007 Strategic Plan

Our goals and objectives

We have three goals. These are:

- foster well-managed government;
- encourage meaningful reporting by government; and
- manage our business effectively.

Pages 58 to 77 set out our goals and objectives for the period April 1, 2003 to March 31, 2007 for pursuing our mission. We also set out our:

- strategies and action plans to manage the risks that might prevent us from achieving our objectives; and
- indicators we use to measure our success in achieving our goals and objectives and our performance targets for those indicators.

Pages 76 to 77 include a glossary of terms and abbreviations used in our strategic plan.

Goals	Objectives	General strategies
1. Foster well-managed Government	1. Our stakeholders value our assurance and advice to strengthen the Government's accountability to the Assembly.	1. Work with supervising agencies on their processes that foster accountability to the Assembly.
		2. Encourage legislators to put in law sound accountability requirements for the Government.
		3. Advise legislators of the state of the Government's accountability to the Assembly.

Action plans
1. Keep informed of and share changes in accountability processes in other jurisdictions. 2. Work with Finance and Executive Council to build capacity for results-based management. 3. Work with the Crown Investments Corporation of Saskatchewan (CIC) to further the successful implementation of the balanced score card system. 4. Work with Finance, CIC, and Executive Council to explain the importance of our assurance on key performance reports (plans and results). 5. Encourage the use of the key elements of sound planning and reporting for the overall Government and for significant government agencies. 6. Encourage supervising agencies to consider the impact on accountability to the Legislative Assembly when approving changes in key accountability arrangements.
1. Advise legislators of the state of legislated accountability in other Canadian jurisdictions. 2. Promote the value of legislating sound accountability requirements (i.e., to ensure requirements are sustainable). 3. Work with Finance, CIC and Executive Council to identify any barriers to requiring sound accountability by law.
1. Report on accountability arrangements that present the Government with significant risks (e.g., school boards, non-government agencies, public private partnerships, Canadian Blood Services). 2. Advise legislators of the impact of changes in key accountability arrangements to ensure they provide appropriate accountability to the Assembly. 3. Share with government officials the criteria for assessing accountability arrangements. 4. Assess the adequacy of accountability in key agreements. 5. Provide input to the CICA on public sector accounting and auditing issues, and explain the impact to legislators, as needed. 6. By 2005, report to legislators on the state of the Government's overall accountability to the Assembly compared with other Canadian jurisdictions.

Goals	Objectives	General strategies
1. **Foster well-managed Government**	2. Our stakeholders value our assurance and advice to strengthen the Government's processes to achieve intended results.	1. Evaluate the Government's processes to achieve planned results including its risk management.
		2. Assess the adequacy of the Government's processes to manage its human resources and infrastructure including information technology.
		3. Work with supervising agencies to promote the use of good processes to achieve intended results.
		4. Advise legislators of the challenges in managing the key forces and trends affecting the Government.

Action plans

1. Examine the financial controls of government agencies.

2. Examine compliance with authorities by government agencies.

3. Examine the processes used by the overall Government and significant government agencies to manage key risks including delivery of services by other parties (e.g., school boards, non-government agencies).

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1. In 2004, report the key elements of a sound human resource plan.

2. During 2004 - 2007, ensure significant government agencies have the key elements of a sound human resource plan.

3. In 2005 - 2007, for 8 significant government agencies that have the elements of sound human resource plans, examine those plans to ensure they have adequate succession plans.

4. In 2005 - 2007, each operating group will report on the adequacy of agencies' management of significant infrastructure (e.g., health facilities, highways, energy distribution systems).

5. By 2005, report the key elements of sound information technology practices including governance, architecture, security, availability, privacy, and information management.

6. In 2005 - 2007, report on how well government agencies manage information technology systems and projects (financial and non-financial) using the key elements.

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1. Offer advice to supervising agencies on appropriate processes to control the management of public resources.

2. Encourage supervising agencies to set out clearly their control expectations to the government agencies they supervise. (e.g. Health, CIC)

3. Encourage supervising agencies to ensure their control expectations are carried out by the government agencies they supervise.

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1. Report on the financial condition of the Government to help explain the economic constraints faced by the Government.

2. During 2004 – 2007 we will report on the key challenges faced by the Government:
   - In ensuring a professional public service for effective service delivery.
   - Resulting from the growing young Aboriginal population.
   - In ensuring a healthy and sustainable environment.
   - Resulting from the aging population.
   - To our tax base resulting from the key forces and trends.
   - In managing the changing infrastructure needs resulting from rural depopulation.

Goals	Objectives	General strategies
2. Encourage meaningful reporting by Government	1. The Government provides an overall plan and results to the Assembly.	1. Encourage key officials to provide an overall government business and financial plan and results to the Assembly.
		2. Report publicly the benefits of providing overall government plans and results to the Assembly.
	2. Government agencies report their plans and results to the Assembly.	1. Assess key performance reports of significant government agencies and sectors.
		2. Share the best practices of performance reports of other jurisdictions with government agencies and the Assembly.
		3. Support government agencies to build capacity for reporting plans and results to the Assembly.
		4. Encourage the Government to prepare departmental financial statements and provide them to the Assembly.

Action plans
1. Promote alternative financial plan models to Executive Council, CIC, and Finance to encourage them to report publicly a financial plan for the overall Government. 2. Meet with key officials to discuss the benefits of providing the Assembly with business and financial plans and results. 3. Encourage government agencies to provide the Assembly with their business and financial plans and results to build capacity to publish an overall plan.
1. Report a model of an overall business plan and continue to report model financial plans including what is happening in other jurisdictions. 2. Report on the status of inter-jurisdictional comparisons of performance reporting, and on benefits and risks of an overall public business and financial plan. 3. Advise opinion leaders of the benefits of performance reports (e.g., boards of directors, community groups, journalists, CCOLA, Legislative Committees).
1. Assess annual reports of all significant government agencies against key elements each year. 2. Assess business and financial plans of significant government agencies against the key elements every second year. 3. Assess plans and results of sectors, within a year of the plans and results becoming public.
1. Keep informed of what is happening in other jurisdictions (e.g., see CCOLA survey on website). 2. Share best practices with the primary authors of the performance reports (e.g., Deputy Ministers, communication staff). 3. Discuss best practices annually with supervising agencies responsible for providing guidance on performance reports (e.g., Finance, CIC, Executive Council, Health).
1. Encourage government agencies to develop the capacity to collect and analyze reliable performance information. 2. Identify and discuss any barriers to reporting plans and results with senior officials. 3. Identify and support the champions for reporting plans and results. 4. Identify and recognize the leaders in our reports.
1. Ensure adequate information systems exist to report on plans and results. 2. Discuss with government officials and legislators the benefits of departmental financial statements. 3. Keep informed of what is happening in other jurisdictions and share with government officials and legislators.

Goals	Objectives	General strategies
2. Encourage meaningful reporting by Government	2. Government agencies report their plans and results to the Assembly.	5. Encourage government agencies to report to the Assembly how they manage their key risks to achieve their intended results.
		6. Encourage government agencies to include our internal control and legislative compliance opinions in their annual reports.
	3. The Assembly receives our timely assurance on the Government's reports on plans and results (financial and non-financial information).	1. Provide timely assurance on government agencies' financial reports.
		2. Inform Legislators of the benefits of providing assurance on government agencies' performance reports.
		3. Provide timely assurance on government agencies' performance reports for non-financial information.

Action plans
1. Publicly recognize the leaders who report their management of key risks. 2. Report the key risks of significant government agencies where they have not publicly reported their risks. 3. Encourage legislative committees to ask government agencies how they are managing their key risks. 4. Report control weaknesses in the context of major risks. 5. Inform legislators and government officials of the importance of publicly explaining their management of key risks.
1. Identify government agencies currently reporting internal control and legislative compliance opinions. 2. Discuss with government officials and legislators the benefits of including opinions on control and compliance in annual reports. 3. Monitor reporting of internal control and legislative compliance opinions in other jurisdictions. 4. Encourage government agencies to include their assessment of the effectiveness of their controls in their annual report.
1. Examine the reliability of the financial statements of the overall government and of all government agencies. 2. Deliver our reports on the results of our work to government officials within the agreed upon time frame. 3. Deliver timely public reports on the results of our work to the Legislative Assembly.
1. Report on the benefits of providing assurance on government agencies' performance reports. 2. During the entry/exit meeting with significant government agencies, encourage them to include an assurance report from our Office on their performance information.
1. Examine the reliability of key non-financial indicators included in the performance reports of government agencies. 2. Deliver our reports on the results of our work to government officials in the agreed upon time frame. 3. Deliver timely public reports on the results of our work to the Legislative Assembly.

Goals	Objectives	General strategies
3. Manage our business effectively	1. Our stakeholders understand and value what we do.	1. Ensure we have the resources and access to the competencies necessary to respond to the risks faced by our stakeholders.
		2. Provide relevant, reliable, and timely service at a reasonable cost.
		3. Maintain support for our recommendations.

Action plans

1. Seek and monitor the views of our stakeholders on our plans and performance.
2. Prepare our resource proposals based on how we plan to respond to our risks and the risks faced by our stakeholders.
3. Clearly explain our resource proposals to PAC.
4. Maintain a competency-based framework for human resource management.
5. Maintain a sound human resource plan (including succession plan) that sets out required competencies and development plans.
6. Hire, train, and contract as expected in our human resource plan.
7. Use external experts as needed.
8. Use employee development plans and performance assessments to ensure we possess and maintain the necessary competencies.
9. Stimulate and support innovation.

1. Use a risk-based model to determine our work priorities.
2. Discuss audit requirements with government agencies at entry/exit meetings and document agreed upon requirements in our audit planning memoranda.
3. Complete audit work according to the audit planning memoranda. If necessary, explain any significant changes to the plan.
4. Complete our work according to professional standards.
5. Obtain feedback on our performance from government agencies using Post Audit Questionnaires.
6. Monitor our planned and actual costs and manage the impact of any significant differences.
7. Maintain and monitor information about costs of similar service providers to benchmark our costs.
8. Pay our staff based on market conditions.

1. Ensure our reports clearly explain deficiencies, consequences, and resulting recommendations.
2. Make clear presentations to boards, management, PAC, CCC, and the public.
3. Monitor acceptance of our recommendations.
4. Consider costs and benefits when making recommendations and set out recommendations in the context of key risks.

Goals	Objectives	General strategies
3. Manage our business effectively	1. Our stakeholders understand and value what we do.	4. Communicate in a clear, accessible, and timely manner.
		5. Maintain our independence and objectivity.
	2. We are leaders in key areas of legislative auditing.	1. Maintain our leadership in the areas of auditing financial reporting, accountability, and compliance with related authorities.
		2. Continue to develop our leadership in risk management.
		3. Develop and maintain special knowledge in the many diverse and complex businesses the Government manages.

Action plans
1. Share written key communication policies with staff. 2. Make our reports accessible to our stakeholders. 3. Clearly explain our work and findings. 4. Strengthen our presentation skills. 5. Prepare an overall executive summary for lengthy public reports. 6. Review current practice regarding timing and content of our public reports. 7. Monitor content of our public website to ensure information is current and relevant. 8. Inform members of key legislative committees about the products and services that we deliver. 9. Prepare and distribute to our stakeholders a summary pamphlet outlining our role and the products and services that we deliver.
1. Promote the basic principles for legislative auditors (e.g., refer to CCOLA document). 2. Explain our independence to our stakeholders. 3. Identify and respond to initiatives that might affect our independence. 4. Make staff aware of our need to be and appear to be independent (through objectivity policies). 5. Develop and implement a policy for the rotation of key personnel on audits.
1. Maintain and enhance our internal training program using CCOLA resources when appropriate. 2. Allocate resources for external development opportunities. 3. Participate on provincial and national committees (e.g. CCOLA, CICA, ICAS). 4. Keep our practices current by using our Practice Review Committee. 5. Use quality control processes to maintain consistent practices.
1. Continue to develop our internal training program using CCOLA resources when appropriate. 2. Allocate resources for external development opportunities. 3. Monitor external organizations for risk management practices (e.g. Conference Board of Canada, CCAF, CICA).
1. Assess the relevance of our specialities. 2. Ensure succession of key specialists on an ongoing basis.

Goals	Objectives	General strategies
3. Manage our business effectively	2. We are leaders in key areas of legislative auditing.	4. Offer our advice and training programs to others.
		5. Maintain current and effective methodology.
	3. We continuously improve our work.	1. Continue to strengthen and simplify our management information system.
		2. Continue to strengthen and simplify our administrative practices.
		3. Continue to strengthen and simplify how we plan, assess, and report our performance.

Action plans
1. Offer advice and training to our professional colleagues (CCOLA, appointed auditors).
2. Offer advice and training program to government officials.
1. Monitor and learn from our experiences and from the practices of our professional colleagues.
2. Use the criteria from the CICA's Risk Management and Governance Board to assess the processes of all significant government agencies to plan and achieve plans.
3. Challenge the status quo and do quality control reviews.
4. Support CCOLA's quality assurance process for ensuring the adequacy of our methodology.
5. Support CCOLA in promoting the participation of legislative audit offices in the requirements of the Canadian Public Accountability Board.
6. Use the Professional Engagement Manual maintained by the CICA and CaseWare to document our audit work.
1. Continue to simplify our internal information systems (e.g., information centre, Intranet, databases).
2. Improve the ability of staff to access our internal information when they are away from the office.
1. Encourage staff to search for and share efficiencies.
2. Acquire quality goods and services at the best prices.
3. Improve the efficiency of preparing and issuing our reports.
1. Prepare an annual business and financial plan.
2. Use a risk-based model to determine our audit priorities.
3. Continue to improve our risk-based model.
4. Use the criteria of the CICA's Risk Management and Governance Board to assess our management control including our processes to plan.
5. Report publicly our plans and the extent to which we have achieved our plans.
6. Strengthen the nature of the assurances provided to legislators by our auditor on our performance.

Goals	Objectives	General strategies
3. Manage our business effectively	4. We maintain a positive and healthy work environment.	1. Ensure our working environment embraces our guiding principles.

Action plans

1. Respond to concerns and trends identified in our corporate culture surveys of our staff.
2. Provide all staff with challenging work in all of our services.
3. Promote two-way feedback on staff performance.
4. Identify and implement more effective ways of communicating within our Office.
5. Address all recommendations of the Occupational Health and Safety Committee (OH&S) in a timely manner.
6. Ensure staff follow safe work practices as defined by the Office.
7. Adjust workloads to facilitate a balance between work, home, and community.

Indicators of success

We assess our success by monitoring seven general indicators. These indicators relate to key outcomes that we plan to achieve through accomplishing our goals and objectives.

1. **Our stakeholders value our assurance and advice.** (goal 1, objectives 1 & 2)

   - The Government acts on 80% of those recommendations that are more than one year old that do not involve major changes.
   - The Government acts on 80% of those recommendations that are more than five years old that involve major changes.
   - The Standing Committees on Public Accounts and Crown Corporations accept 90% of our recommendations that they consider.

2. **The Government and its agencies report their plans and results to the Assembly.** (goal 2, objectives 1 & 2)

   - The Government publicly reports its overall business and financial plan for the 2004-05 fiscal year.
   - By 2007, 70% of significant government agencies publicly report their financial and operating results compared to their targets including information on their key risks and how they manage those risks.

3. **The Assembly receives our timely assurance on the Government's reports on plans and results (financial and non-financial).** (goal 2, objectives 1, 2, & 3)

   - By 2007, 50% of significant government agencies include our audit reports on control and legislative compliance in their public reports.
   - By 2007, 50% of those significant government agencies that receive our audit reports on the reliability of their key non-financial performance information include those reports in their public reports.
   - Our work is reported by established deadlines and within the planned costs set out in our Business & Financial Plan.

4. **Our stakeholders understand and value what we do.** (goal 3, objective 1)

   - The Government acts on 80% of those recommendations that are more than one year old that do not involve major changes.
   - The Government acts on 80% of those recommendations that are more than five years old that involve major changes.
   - The Standing Committees on Public Accounts and Crown Corporations accept 90% of our recommendations that they consider.
   - Our work is reported by established deadlines and within the planned costs set out in our Business & Financial Plan.
   - Post audit questionnaires indicate a positive trend in satisfaction with our work.
   - Our auditor reports publicly and positively on our performance (e.g., our financial statements, our compliance with *The Provincial Auditor Act*, the adequacy of our management systems and practices, and the reliability of one of our key non-financial performance indicators per year).

5. **We are leaders in key areas of legislative auditing.** (goal 3, objective 2)

   - By 2007, 50% of significant government agencies include our audit reports on control and legislative compliance in their public reports.
   - Our auditor reports publicly and positively on our performance (e.g., our financial statements, our compliance with *The Provincial Auditor Act*, the adequacy of our management systems and practices, and the reliability of one of our key non-financial performance indicators per year).

6. **We continuously improve our work.** (goal 3, objective 3)

   - Our staff resources are used as set out in our Business and Financial Plan.
   - Post audit questionnaires indicate a positive trend in satisfaction with our work.
   - Our pass rates for students in professional accounting programs exceed national averages each year.
   - Positive reports on our work from the Institute of Chartered Accountants of Saskatchewan.
   - Our work is reported by established deadlines and within the planned costs set out in our Business & Financial Plan.
   - The Standing Committees on Public Accounts and Crown Corporations accept 90% of our recommendations that they consider.

7. **We maintain a positive healthy work environment.** (goal 3, objective 4)

   - Our corporate culture surveys indicate a positive trend in our working environment.

Glossary

Accountability – the ability to demonstrate responsible action and report performance in light of agreed-upon expectations.

Action plans – the activities, time lines, and resources to accomplish goals and objectives and to implement strategies. Our action plans are carried out annually during the four-year plan, except where a specific date is indicated. The costs of our action plans are reported annually to the Legislative Assembly in our Business and Financial Plan.

Agency – an entity of Government accountable for public money.

Assembly – the Legislative Assembly of Saskatchewan.

Assurance – the Provincial Auditor Saskatchewan issues a written communication expressing a conclusion concerning a subject matter for which an agency is responsible.

Best practices – professional procedures or actions that are efficient, economical, and effective in accomplishing the purpose intended. Best practices may meet or exceed generally accepted auditing standards or other minimum standards in creative ways using evolving technologies or new methods.

Business plan – an agency's planned operations for the fiscal year.

CCOLA – the Canadian Council of Legislative Officers is an organization devoted to sharing information and supporting the continued development of auditing methodology, practices and professional development in legislative auditing.

Competency-based framework – the framework used for human resource management and policy development that identifies the competencies necessary for our Office to be successful. Competencies are the elements our Office must know, be able to do, and attitudes we must possess.

Control – those elements of an agency (including its resources, systems, processes, culture, structure, and activities) that, taken together, support people in the achievement of the agency's objectives.

Financial plan – an agency's planned revenues and expenses for the fiscal year.

Goal – a general statement of desired results to be achieved over an unspecified period of time.

Government – departments and Crown agencies as defined in *The Provincial Auditor Act*.

Guiding principles – the key values that are used to assist decision making.

Mission – the broad, long-term purpose of an agency and its primary focus including the stakeholders to be served.

Objective – a measurable, time-defined result to be achieved that leads to the achievement of each goal.

Outcome – the consequence or result of activities (e.g., our work results in better management systems and practices; Members of the Legislative Assembly are better able to assess the performance of Government as a result of our work).

Performance indicator – a factor chosen to monitor success in achieving objectives.

Performance report – compares an agency's planned and actual results (e.g., an annual report, financial statements).

Risk – the possibility that an agency will experience adverse consequences from events or circumstances (e.g., a major financial, operational, or legal issue an agency must manage well for success in achieving its objectives).

Sectors – multiple government agencies working together to deliver common programs or to achieve common goals.

Stakeholders – those who have an interest in our decisions, including the people of Saskatchewan, Members of the Legislative Assembly and Standing Committees, and officials/managers/employees of Government.

Strategies – the approaches that can be taken to meet objectives and achieve goals.

Supervising agency – agencies that have some responsibility for other agencies.

Vision – a brief description of the ideal state.

Abbreviations

CCAF – Canadian Comprehensive Auditing Foundation

CCC – The Standing Committee on Crown Corporations

CCOLA – Canadian Council of Legislative Auditors

CIC – Crown Investments Corporation of Saskatchewan

CICA – The Canadian Institute of Chartered Accountants

ICAS – Institute of Chartered Accountants of Saskatchewan

PAC – The Standing Committee on Public Accounts

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Appendix II – Other Information in Response to Questions Posed Previously by the Standing Committee on Estimates and the Board of Internal Economy

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When reviewing our Business and Financial Plans, the Standing Committee on Estimates and the Board of Internal Economy have asked several questions about our spending practices and audit work. This appendix contains information to answer those questions. The information reflects our latest results and estimates.

We think the Committee's and the Board's questions are excellent for understanding and assessing the spending practices of public sector managers. Accordingly, we encourage Members of the Legislative Assembly to ask similar questions of managers of Crown corporations and departments when those managers appear before other Standing Committees.

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Spending Trends

In the past, members of the Standing Committee on Estimates and the Standing Committee on Public Accounts wanted to know what our spending trends were over a ten-year period.

The following information shows the trend of our spending from 1993 to 2002. The financial trends of the Government are best represented by the total revenue plus the total expenditures, as well as the total assets plus the total liabilities from the Government's summary financial statements. In the past, we compared our spending to the Government's spending through the General Revenue Fund. The Government's summary financial statements contain better information on total government spending.

Table 3

	Provincial Auditor's	Government's Financial Trends	
Year End	Spending	Revenue and Expenditures	Assets and Liabilities
1993	3.9 million	16.3 billion	32.7 billion
1994	4.1 million	16.4 billion	34.3 billion
1995	4.4 million	17.4 billion	34.6 billion
1996	4.5 million	17.6 billion	34.9 billion
1997	4.3 million	17.5 billion	34.5 billion
1998	4.5 million	17.6 billion	33.9 billion
1999	4.6 million	18.3 billion	33.9 billion
2000	4.5 million	20.2 billion	35.6 billion
2001	4.8 million	20.6 billion	35.0 billion
2002	4.9 million	22.0 billion	36.0 billion

The Provincial Auditor's reported spending, for 1993 to 2002 inclusive, does not include appointed auditors' fees charged to government agencies. The decision to use appointed auditors rests with the Government. Accordingly, the costs of appointed auditors are not within the Provincial Auditor's control and are, therefore, not reflected in the Provincial Auditor's spending.

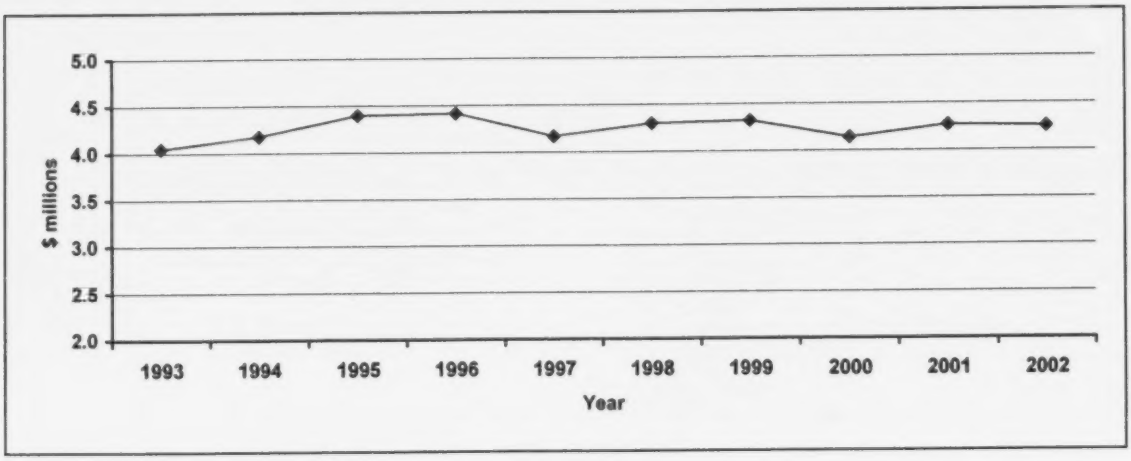
The Government's financial numbers come from its summary financial statements. The total revenues plus the total expenditures are used to reflect the increase in the volume of transactions our Office is responsible for auditing. We also have to audit the total assets plus the total liabilities of the Government. Graphs 1 and 2 (page 84) include the above information adjusted for inflation using 1995 as the base year.

In previous reports, we included our spending trend since 1983. From 1987 to 1995, our appropriation was not sufficient to carry out our work plan. This resulted in no reports, or late reports, to the Members of the Legislative Assembly on certain government organizations. For the seven years ended March 31, 2002, the Board of Internal Economy recommended an appropriation that was sufficient for our Office to carry out our work plan. From 1996 to 2002 our spending has increased 8.9%. During the same period, the Government's spending has increased 25%.

Also, for the year ended March 31, 2003, the Standing Committee on Public Accounts recommended an appropriation that was sufficient for our Office to carry out our work plan.

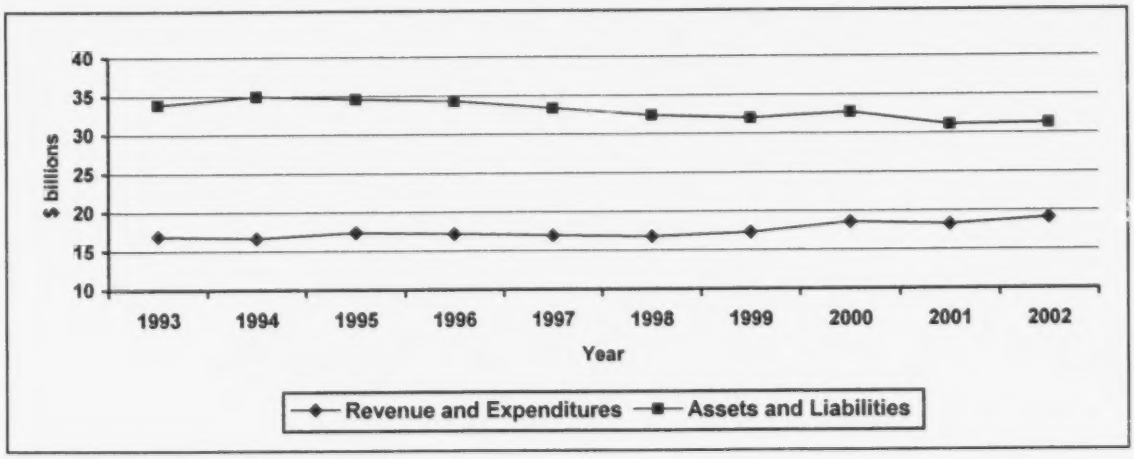
Graph 1
Provincial Auditor's Spending

These numbers come from Table 3. The numbers are adjusted for inflation using The Consumer Price Index of Canada and 1995 as the base year.



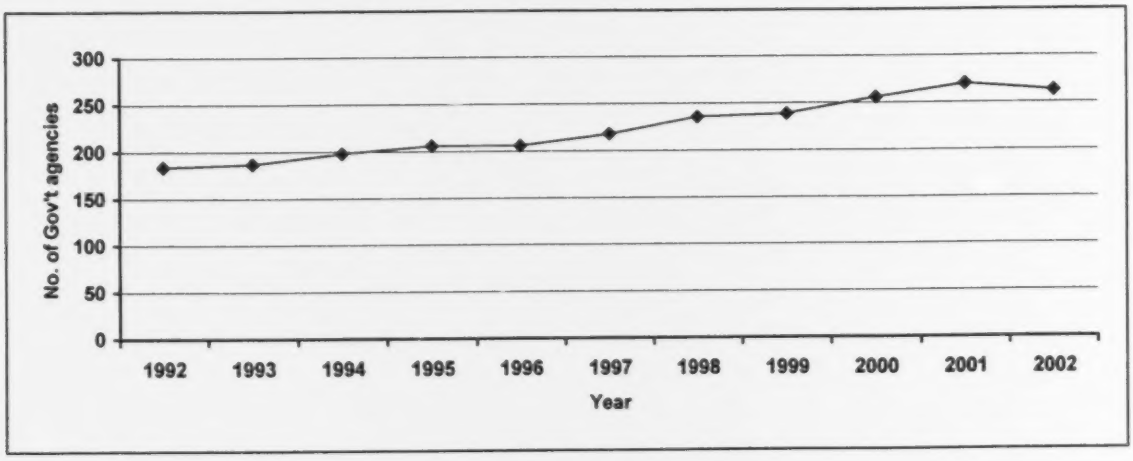
Graph 2
Government's Financial Trends

These numbers come from Table 3. The numbers are adjusted for inflation using The Consumer Price Index of Canada and 1995 as the base year.



Graph 3
Number of Government Agencies

Our work is also affected by the number of government agencies. The following graph shows the ten-year trend in the number of government agencies.



Out-of-Province Travel

Information on the last five years "out-of-province travel".

	1999-00	2000-01	2001-02	2002-03	2003-04
Forecast	$ 39,500 [1]	$ 40,250 [1]	$ 39,650 [1]	$ 40,000 [1]	$ 45,800 [1,4]
Actual	28,064 [2]	37,930	37,115	46,171 [3]	

[1] Increasingly we are asked to participate in national working groups with the legislative audit community to agree on guidelines for auditing and reporting on performance. Also, some of our specialized training is not available in province (e.g., pension and benefit plans, gaming and insurance areas.)

[2] In 2000, due to established priorities, we did not carry out part of our annual management training program. We plan to carry out this program in future years.

[3] This is an estimate to March 31, 2003. The actual to October 31, 2002 is $28,322. Our travel out-of-province increased during 2002-03 for travel related to auditing the Health Indicators Report.

[4] Our 2003-04 plans include travel for some of our students to attend sessions for the CA School of Business in Alberta. Saskatchewan does not always host all sessions.

Salary Comparisons

Monthly and annual salaries for all staff as of March 31, 2001 and as of March 31, 2002 and the percentage change. For explanation for increases, see footnotes 1 to 5 on page 90.

Salaries - Employees (excluding union related employees)

		March 31, 2001		March 31, 2002			
Name	Type	Annual Salary	Monthly Salary	Annual Salary	Monthly Salary	Percentage Change	Explanation for Changes Greater Than 10%
Ahmad, Mobashar	Permanent	$ 92,446	$ 7,704	$ 96,000	$ 8,000	3.84%	
Anderson, Mark T.	Permanent	74,434	6,203	78,000	6,500	4.79%	
Atkinson, Brian R.	Permanent	99,842	8,320	106,340	8,862	6.51%	
Bachelu, Gaylene K.	Permanent	29,780	2,482	18,773	1,564	(36.96%)	(5)
Beblow, Jolene T.	Permanent	62,000	5,167	69,628	5,802	12.30%	(4)
Borys, Angèle M.	Permanent	82,000	6,833	87,689	7,307	6.94%	
Burrows, Jamie A.	Permanent	51,000	4,250	59,987	4,999	17.62%	(3)
Clemett, Tara L.	Permanent	53,000	4,417	62,129	5,177	17.22%	(3)
Creaser, Philip M.	Permanent	85,135	7,095	87,689	7,307	3.00%	
Deis, Kelly W.	Permanent	73,000	6,083	80,340	6,695	10.05%	(4)
Dickin, Deann J.	Permanent	42,253	3,521	46,131	3,844	9.18%	
Ferguson, Judy D.	Permanent	92,446	7,704	96,000	8,000	3.84%	
Fysh, Cindy M.	Permanent	30,162	2,514	51,290	4,274	70.05%	(2)
Grabarczyk, Rod A.	Permanent	85,135	7,095	87,689	7,307	3.00%	
Harasymchuk, William W.	Permanent	72,918	6,077	78,000	6,500	6.97%	
Heffernan, Michael A.	Permanent	92,446	7,704	96,000	8,000	3.84%	
Jersak, Rodd S.	Permanent	82,000	6,833	87,689	7,307	6.94%	
Kenny, Wade A.	Permanent	51,000	4,250	No longer employed			
Kirchner, Carolyn	Permanent	60,000	5,000	67,000	5,583	11.67%	(4)
Knox, L. Jane	Permanent	85,135	7,095	87,689	7,307	3.00%	
Kress, Jeffrey J.	Permanent	60,000	5,000	67,485	5,624	12.48%	(4)
Kuntz, Linda A.	Permanent	44,150	3,679	45,475	3,790	3.00%	
Lacey, Shana A.	Permanent	Hired in 2001-2002		31,415	2,618		
Lahti, Kami J.	Permanent	51,000	4,250	51,000	4,250	0.00%	
Markewich, Dale P.	Permanent	92,446	7,704	No longer employed			
Martens, G. Andrew	Permanent	85,135	7,095	87,689	7,307	3.00%	
Matchett, Joanne M.	Permanent	62,000	5,167	No longer employed			
Montgomery, Edward	Permanent	92,446	7,704	96,000	8,000	3.84%	
Nyhus, Glen D.	Permanent	85,135	7,095	87,689	7,307	3.00%	
Oldershaw, Mark J.	Permanent	33,872	2,823	51,290	4,274	51.42%	(2)
Orrange, Loyd	Permanent	68,258	5,688	70,306	5,859	3.00%	
Paul, Charlene A.	Permanent	40,000	3,333	49,290	4,108	23.23%	(2)
Rybchuk, Corrine P.	Permanent	73,000	6,083	80,340	6,695	10.05%	(4)

Salaries - Employees (excluding union related employees)

Name	Type	March 31, 2001 Annual Salary	March 31, 2001 Monthly Salary	March 31, 2002 Annual Salary	March 31, 2002 Monthly Salary	Percentage Change	Explanation for Changes Greater Than 10%
Schwab, Amy P.	Permanent	55,000	4,583	60,000	5,000	9.09%	
Schwab, Victor A.	Permanent	75,715	6,310	78,000	6,500	3.02%	
Shorten, Karen E.	Permanent	30,906	2,576	33,000	2,750	6.78%	
Sommerfeld, E. Regan	Permanent	30,060	2,505	49,290	4,108	63.97%	(2)
Strecker, Rena K.	Permanent	51,000	4,250	No longer employed			
Volk, Rosemarie M.	Permanent	82,000	6,833	87,689	7,307	6.94%	
Watkins, Dawn L.	Permanent	30,906	2,576	33,000	2,750	6.78%	
Wendel, G. Fred	Permanent	117,634	9,803	122,773	10,231	4.37%	
Wendel, Leslie E.	Permanent	81,324	6,777	83,764	6,980	3.00%	

Salaries - Employees (union related employees)

Name	Type	March 31, 2001 Annual Salary	March 31, 2001 Monthly Salary	March 31, 2002 Annual Salary	March 31, 2002 Monthly Salary	Percentage Change	Explanation for Changes Greater Than 10%
Baronowsky, Tricia A.	Permanent	$ 30,060	$ 2,505	$ 34,962	$ 2,914	16.31%	(1)
Brezinski, Curtis T.	Permanent	Hired in 2001-2002		31,943	2,662		
Calder, Chantara L.	Permanent	Hired in 2001-2002		27,000	2,250		
Daviduik, Krista D.	Permanent	28,560	2,380	No longer employed			
DeCorby, Michelle M.	Permanent	26,700	2,225	30,501	2,542	14.24%	(1)
Duran, Jason S.	Permanent	55,000	4,583	58,000	4,833	5.45%	
Duran, Joel K.	Permanent	30,500	2,542	40,500	3,375	32.79%	(4)
Federspiel, Angela K.	Permanent	Hired in 2001-2002		28,200	2,350		
Huard, Brenda M.	Permanent	Hired in 2001-2002		27,000	2,250		
Hungle, Angie D.	Permanent	28,520	2,377	31,876	2,656	11.77%	(1)
Kodas, John	Permanent	33,872	2,823	No longer employed			
Kossmann, Stephanie	Temporary	19,200	1,600	No longer employed			
Lahti, Jay J.	Permanent	37,487	3,124	41,200	3,433	9.90%	
Lees, Trina C.	Permanent	26,520	2,210	31,876	2,656	20.20%	(1)
Lindenbach, Michelle	Temporary	19,200	1,600	20,100	1,675	4.69%	
Lowe, Kimberly I.	Permanent	33,872	2,823	38,888	3,241	14.81%	(1)
Ottenbreit, Stacey	Permanent	Hired in 2001-2002		28,400	2,367		
Paul, Kent W.	Permanent	26,520	2,210	42,000	3,500	58.37%	(2)
Schiller, Rita L.	Permanent	24,983	2,082	25,732	2,144	3.00%	
Szaroz, Jennifer J.	Permanent	26,520	2,210	42,000	3,500	58.37%	(2)
Tomlin, Heather D.	Permanent	43,928	3,661	47,055	3,921	7.12%	
Walker, Sandra J.	Permanent	60,782	5,065	62,605	5,217	3.00%	
Wandy, Jason M.	Temporary	Hired in 2001-2002		19,200	1,600		

Explanations for Changes

We are a training office for people to become Chartered Accountants (CAs). As a result, when we hire trainees we base our starting salaries on market rates for other training offices. As they progress toward professional qualifications, we must pay them closer to rates in the public service because Government agencies are a key group of potential employers of our trained professionals. In order to retain our professionals and other staff, we must offer competitive salaries and benefits to the public service.

(1) We hire these staff at an annual salary approximately $9,000 less than the starting salary paid to a Business Auditor hired through the Public Service Commission. We hire at these rates to more closely reflect market rates for persons wanting to become professional accountants. As these staff progress towards and achieve professional standing, they receive increases that reflect pay in the public service. The Government pays auditors, that are not CAs, hired through the Public Service Commission at pay scales ranging from a starting salary of $37,500 as a Business Auditor trainee to $51,100 as a Business Auditor (PSC rates as at March 31, 2002).

(2) These larger increases are due to staff members passing their professional accounting exams and being promoted. At this time, we link their salaries closer to pay in the public service. The Government's pay scale for a CA hired as a Senior Auditor through the Public Service Commission ranges from $47,200 to $64,000.

(3) These increases are due to adjustments necessary to retain staff who have completed their accounting designation within recent years. We link their salaries to rates in the public service.

(4) These increases are due to market adjustments necessary to retain staff with specialized skills and experience.

(5) These decreases are due to staff members moving from a full-time position to a part-time position.

Senior Management Salaries

Annual salaries of senior management for the past five years and the percentage change from the previous year.

Annual salaries as at March 31:

Name	1998	1999	Percent Increase from 1998[5]	2000	Percent Increase from 1999[6]	2001	Percent Increase from 2000[7]	2002	Percent Increase from 2001[8]
Strelioff, W. K.									
- Cash[1]	$ 109,537	$ 112,845	3.02%	$ 114,608	1.56%	$ -		$ -	
- Deferred[2]	1,085	3,300	3.02%	1,764	1.56%	-		-	
Wendel, G. F.	97,279	100,217	3.02%	100,217	0.00%	117,634	17.38% [3]	122,773	4.37%
Ahmad, M.	84,000	89,736	6.83%	89,736	0.00%	92,446	3.02%	96,000	3.84%
Atkinson, B. R.	87,105	89,736	3.02%	89,736	0.00%	99,842	11.26% [4]	106,340	6.51%
Ferguson, J. D.	87,105	89,736	3.02%	89,736	0.00%	92,446	3.02%	96,000	3.84%
Heffernan, M. A.	87,105	89,736	3.02%	89,736	0.00%	92,446	3.02%	96,000	3.84%
Markewich, D. P.	-	-		-		92,446	18.52% [4]	-	
(Effective Apr. 20, 2000)									
Montgomery, E.	84,000	89,736	6.83%	89,736	0.00%	92,446	3.02%	96,000	3.84%

[1] The law states that the Provincial Auditor's salary is the average of the salaries paid to Deputy Ministers and the Provincial Auditor receives any economic adjustments that Deputy Ministers receive.

[2] When the Provincial Auditor's employment ended, by law he was entitled to receive two months' salary for each year of employment as Provincial Auditor to a maximum of 12 months' salary.

[3] On April 19, 2000, Wayne Strelioff resigned as Provincial Auditor. Fred Wendel was appointed Acting Provincial Auditor until a new Provincial Auditor was appointed. On May 15, 2002, Fred Wendel was appointed Provincial Auditor.

[4] These increases are due to the staff members being promoted.

[5] The government granted salary increases to all out of scope public servants of 3.02% on July 1, 1998.

[6] The government granted salary increases to all out of scope public servants of 2% on July 1, 1999.

[7] The government granted salary increases to all out-of-scope public servants of 2% on July 1, 2000.

[8] The government granted salary increases to all out-of-scope public servants of 3% on July 1, 2001.

Special Assignments

No special assignments per Section 16 of *The Provincial Auditor Act* have been performed during 2002-03 as of October 31, 2002.

Professional Dues Schedule

This schedule shows the professional fees levied by the Certified General Accountants Association, CMA Canada-Saskatchewan, Institute of Chartered Accountants, and the CA School of Business for 2000-01, 2001-02, 2002-03, and forecast for 2003-04.

Fees	2000-01 (Actual)	2001-02 (Actual)	2002-03 (Actual)	2003-04 (Forecast)
CA School of Business	$ -	$ 550.00	$ 575.00	$ 575.00
Certified General Accountants Association	670.00	-	-	-
CMA Canada-Saskatchewan				
Annual professional membership dues	565.00	565.00	565.00	565.00
Student membership dues	250.00	250.00	250.00	250.00
Institute of Chartered Accountants				
Chartered Accountant dues	815.00	815.00	815.00	815.00
Student dues	535.00	535.00	535.00	535.00
Practice Inspection Assessment				
"C.A.'s employed by the Office of the Provincial Auditor"	52.50	52.50	55.00	55.00
Firm Assessment				
"for each Chartered Accountant within your firm"	125.00	125.00	125.00	125.00

Costs of our Detailed Work Plan for 2003

Following is a schedule of planned and actual hours and costs to audit government agencies for their years ended in the period January 1, 2002 to December 31, 2002. The planned costs were originally provided in our 2003 Business and Financial Plan. Our 2003 Annual Report on Operations will provide explanations of significant variances between planned and actual results. The actual results reported here have been updated to include hours and costs for these jobs up to September 30, 2002.

Department or Agency	Planned		Actuals as at Sept. 30/02		Appointed** Auditor Fee	Total Costs/Fees
	Hours	Costs	Hours	Costs		
Crown Investments Corporation of Saskatchewan	725	$ 70,696	37	$ 3,337 *	$ -	$ 3,337
Department of Agriculture and Food	3,785	292,714	2,912	219,303 *	-	219,303
Department of Culture, Youth and Recreation	205	14,775	256	19,551	-	19,551
Department of Economic and Co-operative Development	761	61,686	495	38,687 *	-	38,687
Department of Education	2,124	171,770	1,974	143,760 *	-	143,760
Department of Energy and Mines	970	78,760	812	63,727 *	-	63,727
Department of Environment and Resource Management	2,025	150,625	1,739	137,828 *	-	137,828
Department of Finance	7,619	618,710	4,873	403,271 *	-	403,271
Department of Health	7,480	624,508	5,903	482,986 *	-	482,986
Department of Highways and Transportation	1,607	125,124	1,165	92,596 *	-	92,596
Department of Intergovernmental and Aboriginal Affairs	214	16,348	272	20,875 *	-	20,875
Department of Justice	2,583	189,089	2,193	160,424 *	-	160,424
Department of Labour	607	51,549	407	32,241 *	-	32,241
Department of Municipal Affairs and Housing	2,913	223,463	1,598	130,563 *	-	130,563
Department of Post-Secondary Education and Skills Training	7,296	576,051	5,683	434,834 *	-	434,834
Department of Social Services	2,317	174,107	2,230	160,684 *	-	160,684
Executive Council	226	18,007	214	16,007 *	-	16,007
Information Services Corporation of Saskatchewan	73	6,656	583	60,726 *	-	60,726
Legislative Assembly	659	47,358	499	38,018 *	-	38,018
Municipal Financing Corporation of Saskatchewan	25	2,240	2	161 *	-	161
Public Service Commission	118	7,976	101	6,609 *	-	6,609
Rural Revitalization Office	100	7,840	94	6,649	-	6,649
Saskatchewan Development Fund Corporation	74	6,338	1	44 *	-	44
Saskatchewan Gaming Corporation	881	70,887	763	63,444 *	-	63,444
Saskatchewan Government Growth Fund Management Corporation	188	19,298	50	4,383 *	-	4,383
Saskatchewan Government Insurance Corporation	937	98,320	137	9,256 *	-	9,256

Department or Agency	Planned Hours	Planned Costs	Actuals as at Sept. 30/02 Hours	Actuals as at Sept. 30/02 Costs		Appointed** Auditor Fee	Total Costs/Fees
Saskatchewan Liquor and Gaming Authority	3,735	$ 315,885	2,867	$ 246,557	*	$ -	$ 246,557
Saskatchewan Municipal Board	50	3,320	32	2,144		-	2,144
Saskatchewan Opportunities Corporation	125	12,080	4	349	*	-	349
Saskatchewan Power Corporation	969	95,440	854	87,762	*	-	87,762
Saskatchewan Property Management Corporation	120	12,412	137	13,743		-	13,743
Saskatchewan Research Council	871	70,571	570	43,971	*	-	43,971
Saskatchewan Safety Council	200	14,025	2	140	*	-	140
Saskatchewan Telecommunications	543	56,216	47	4,064	*	-	4,064
Saskatchewan Transportation Company	126	11,711	3	221	*	-	221
Saskatchewan Water Corporation	182	17,684	18	1,551	*	-	1,551
SaskEnergy Incorporated	219	22,704	12	958	*	-	958
Women's Secretariat	53	3,550	61	3,815	*	-	3,815
Workers' Compensation Board	535	53,085	37	3,057	*	-	3,057
Government-Wide, Sectoral and Special Issue Audits	6,317	519,951	1,435	117,265	*	-	117,265
Legislative Committees and Public Reports	4,367	445,471	2,460	245,410	*	-	245,410
TOTAL	64,924	$ 5,379,000	43,532	$ 3,520,971		$ -	$ 3,520,971
Secondments	-	-	-	-			-
TOTAL INCLUDING SECONDMENTS	64,924	$ 5,379,000	43,532	$ 3,520,971		$ -	$ 3,520,971

* These audits are not fully complete at September 30, 2002. To fully complete these audits would require approximately 21,500 hours and $1,976,000.

** None of the appointed auditors have reported their 2003 fees yet.

Costs of our Detailed Work Plan for 2002

Following is a schedule of planned and actual hours and costs to audit government agencies for their years ended in the period July 1, 2000 to June 30, 2001. The planned costs were originally provided in our 2002 Business and Financial Plan. Our 2002 Annual Report on Operations provides explanations of significant variances between planned and actual results up to March 31, 2002. The actual results reported here have been updated to include hours and costs for these jobs up to September 30, 2002.

Department or Agency	Planned		Actuals as at Sept. 30/02			Appointed** Auditor Fee	Total Costs/Fees
	Hours	Costs	Hours	Costs			
Crown Investments Corporation of Saskatchewan	625	$ 59,559	557	$ 56,099		$ 198,367	$ 254,466
Department of Agriculture and Food	3,870	291,325	3,646	275,767	*	276,007	551,774
Department of Culture, Youth and Recreation	-	-	29	1,971		-	1,971
Department of Economic and Co-operative Development	479	34,113	412	28,662	*	-	28,662
Department of Education	2,183	176,831	1,990	144,891		-	144,891
Department of Energy and Mines	985	78,175	777	63,097		-	63,097
Department of Environment and Resource Management	1,875	158,265	1,988	162,802		11,800	174,602
Department of Finance	7,054	555,497	6,351	507,250	*	61,900	569,150
Department of Health	6,837	587,211	6,844	571,435	*	633,252	1,204,687
Department of Highways and Transportation	1,238	97,083	797	61,664		-	61,664
Department of Intergovernmental and Aboriginal Affairs	214	16,134	283	20,855		-	20,855
Department of Justice	2,687	211,736	2,150	155,135	*	9,250	164,385
Department of Labour	657	55,347	811	65,891		-	65,891
Department of Municipal Affairs and Housing	3,015	229,122	2,259	195,400	*	149,675	345,075
Department of Post-Secondary Education and Skills Training	7,432	607,000	7,151	552,167	*	135,063	687,230
Department of Social Services	2,186	160,202	2,222	171,749		-	171,749
Executive Council	223	16,541	259	19,369		-	19,369
Information Services Corporation of Saskatchewan	56	5,041	88	7,743		71,000	78,743
Legislative Assembly	660	46,804	594	40,967		-	40,967
Municipal Financing Corporation of Saskatchewan	25	2,215	29	2,771		3,604	6,375
Public Service Commission	118	7,858	109	7,027		-	7,027
Saskatchewan Development Fund Corporation	74	6,264	48	4,087		7,208	11,295
Saskatchewan Gaming Corporation	944	75,504	1,141	99,132		14,100	113,232
Saskatchewan Government Growth Fund Management Corporation	188	19,110	341	34,253		33,500	67,753
Saskatchewan Government Insurance Corporation	501	48,501	468	44,211		147,500	191,711
Saskatchewan Liquor and Gaming Authority	2,695	237,516	3,311	299,690		368,603	668,293

Department or Agency	Planned Hours	Planned Costs	Actuals as at Sept. 30/02 Hours	Actuals as at Sept. 30/02 Costs		Appointed** Auditor Fee	Total Costs/Fees
Saskatchewan Municipal Board	50	$ 3,270	43	$ 2,855		$ -	$ 2,855
Saskatchewan Opportunities Corporation	155	14,535	76	7,328		80,856	88,184
Saskatchewan Power Corporation	389	36,391	391	35,396		237,352	272,748
Saskatchewan Property Management Corporation	125	11,879	141	14,154		50,000	64,154
Saskatchewan Research Council	871	69,540	849	73,319		-	73,319
Saskatchewan Safety Council	240	15,800	282	18,381		-	18,381
Saskatchewan Telecommunications	491	50,23[illegible]	598	56,969		169,000	225,969
Saskatchewan Transportation Company	126	11,425	87	8,097		36,000	44,097
Saskatchewan Water Corporation	182	17,122	245	22,484		50,500	72,984
SaskEnergy Incorporated	204	20,530	302	29,006		121,800	150,806
Women's Secretariat	53	3,497	61	4,126		-	4,126
Workers' Compensation Board	710	69,825	554	56,627		125,632	182,259
Government-Wide, Sectoral and Special Issue Audits	5,887	531,726	5,128	472,750	*	-	472,750
Legislative Committees and Public Reports	4,369	441,269	3,733	383,768		-	383,768
TOTAL	60,673	$ 5,080,000	57,145	$ 4,779,345		$ 2,991,969	$ 7,771,314
Secondments	1,650	56,000					-
TOTAL INCLUDING SECONDMENTS	62,323	$ 5,136,000	57,145	$ 4,779,345		$ 2,991,969	$ 7,771,314
Office of the Provincial Auditor						$ 19,300	$ 19,300

* These audits are not fully complete at September 30, 2002. To fully complete these audits would require approximately 1,782 hours and $155,000.

** Not all appointed auditors have reported their 2002 fees. Where they are not reported for 2002, the most recent fees have been used.

Costs of our Detailed Work Plan for 2001

Following is a schedule of planned and actual hours and costs to audit government agencies for their years ended in the period July 1, 1999 to June 30, 2000. The planned costs were originally provided in our 2001 Business and Financial Plan. Our 2001 Annual Report on Operations provides explanations of significant variances between planned and actual results up to March 31, 2001. The actual results reported here have been updated to include hours and costs for these jobs up to September 30, 2002.

	Planned		Actuals as at Sept. 30/02			Appointed**	Total
Department or Agency	Hours	Costs	Hours	Costs		Auditor Fee	Costs/Fees
Crown Investments Corporation of Saskatchewan	1,159	$ 96,467	875	$ 72,900		$ 124,340	$ 197,240
Department of Agriculture and Food	3,980	$ 291,212	3,906	278,799		231,491	510,290
Department of Economic and Co-operative Development	679	48,895	227	16,641		-	16,641
Department of Education	2,518	195,835	2,834	228,985		5,750	234,735
Department of Energy and Mines	680	48,540	689	48,583		-	48,583
Department of Environment and Resource Management	1,825	127,930	1,885	136,747		10,925	147,672
Department of Finance	7,223	574,730	5,978	457,811	*	30,300	488,111
Department of Health	6,516	525,606	6,391	492,484	*	660,840	1,153,324
Department of Highways and Transportation	1,538	113,007	1,386	99,456		-	99,456
Department of Intergovernmental and Aboriginal Affairs	214	15,706	156	12,638		-	12,638
Department of Justice	2,740	196,025	2,995	216,748	*	8,425	225,173
Department of Labour	207	14,228	132	8,546		-	8,546
Department of Municipal Affairs, Culture and Housing	2,874	212,749	3,408	244,830		92,215	337,045
Department of Post-Secondary Education and Skills Training	6,785	503,977	6,577	505,559	*	126,698	632,257
Department of Social Services	2,383	172,396	2,001	137,164		340	137,504
Executive Council	222	14,833	337	26,365		-	26,365
Information Services Corporation of Saskatchewan	400	28,625	54	4,632		-	4,632
Legislative Assembly	560	38,644	624	41,377		-	41,377
Municipal Financing Corporation of Saskatchewan	25	2,165	25	2,261		3,340	5,601
Public Service Commission	118	7,622	128	8,365		-	8,365
Saskatchewan Development Fund Corporation	74	6,116	20	1,808		7,800	9,608
Saskatchewan Forest Products Corporation	10	1,430	9	892		-	892
Saskatchewan Gaming Corporation	1,074	85,376	1,149	93,468	*	-	93,468
Saskatchewan Government Growth Fund Management Corporation	188	18,696	179	18,104		40,800	58,904
Saskatchewan Government Insurance Corporation	501	47,499	515	47,696		143,000	190,696
Saskatchewan Liquor and Gaming Authority	1,395	102,870	2,803	241,592		58,500	300,092

Department or Agency	Planned Hours	Planned Costs	Actuals as at Sept. 30/02 Hours	Actuals as at Sept. 30/02 Costs	Appointed** Auditor Fee	Total Costs/Fees
Saskatchewan Municipal Board	101	$ 6,204	41	$ 2,711	$ -	$ 2,711
Saskatchewan Opportunities Corporation	155	14,225	115	11,525	45,115	56,640
Saskatchewan Power Corporation	389	35,613	378	34,133	722,569	756,702
Saskatchewan Property Management Corporation	125	11,629	83	8,352	60,000	68,352
Saskatchewan Research Council	871	67,798	891	61,858	-	61,858
Saskatchewan Safety Council	240	15,320	302	18,777	-	18,777
Saskatchewan Telecommunications	374	37,746	415	40,027	150,000	190,027
Saskatchewan Transportation Company	126	11,173	68	6,485	40,000	46,485
Saskatchewan Water Corporation	388	39,812	537	48,151	87,500	135,651
SaskEnergy Incorporated	201	19,613	189	18,417	235,275	253,692
Women's Secretariat	53	3,391	53	3,294	-	3,294
Workers' Compensation Board	294	27,721	576	56,829	121,632	178,461
Government-Wide, Sectoral and Special Issue Audits	6,016	512,893	7,454	624,458	-	624,458
Legislative Committees and Public Reports	4,623	447,683	3,627	377,957	-	377,957
TOTAL	59,844	$ 4,742,000	60,012	$ 4,757,425	$ 3,006,855	$ 7,764,280
Secondments	1,650	56,000	1,064	41,238		41,238
TOTAL INCLUDING SECONDMENTS	61,494	$ 4,798,000	61,076	$ 4,798,663	$ 3,006,855	$ 7,805,518
Office of the Provincial Auditor					$ 21,750	$ 21,750

* These audits are not fully complete at September 30, 2002. To fully complete these audits would require approximately 864 hours and $80,900.

** Not all appointed auditors have reported their 2001 fees. Where they are not reported for 2001, the most recent fees have been used.

Billings

Departments or agencies billed in 1992-93 through 2002-03.

	Number of Departments or Agencies	Amount Billed	Amount Collected
1992-93 actuals	33	$ 438,510	$ 195,938
1993-94 actuals	16	452,272	452,272
1994-95 actuals	29	528,565	528,565
1995-96 actuals	16	225,763	225,763
1996-97 actuals	11	165,792	165,792
1997-98 actuals	7	141,883	141,883
1998-99 actuals	7	90,495	90,495
1999-00 actuals	6	116,669	116,669
2000-01 actuals	8	65,956	65,956
2001-02 actuals	4	34,014	34,014
2002-03 actuals	2	9,185 [1]	9,185

[1] To October 31, 2002.

Appendix III – Provincial Auditor's Estimates

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Provincial Auditor

Vote 28

The Office serves the people of Saskatchewan through the Legislative Assembly. The Office encourages accountability and effective management in government operations through its independent examinations, advice, and reports on the management of public resources entrusted to government.

Summary of Expenditure
(in thousands of dollars)

	Estimated 2003-04	Estimated 2002-03
Provincial Auditor	5,405	5,379
Unforeseen Expenses	350	348
	5,755	5,727

Provincial Auditor

Vote 28 – Continued

(in thousands of dollars)

	Estimated 2003-04	Estimated 2002-03

Provincial Auditor (PA01)

Provides for the audits of the administration of programs and activities of government departments, health and education institutions, commissions, boards, and Crown corporations and for reporting the results of all audits annually to the Legislative Assembly and the public. It also provides assistance to the Standing Committee on Public Accounts in its review of the Provincial Auditor's Report, the Public Accounts, and other reports.

Sub-Programs		
Provincial Auditor Operations	5,277	5,254
Provincial Auditor's Salary (Statutory)	128	125

Expenditure by Type	2003-04	2002-03		
Salaries	3,646	3,663		
Supplier and other Payments	1,759	1,716		
			5,405	5,379

This subvote includes "Statutory" amounts. The amount "To Be Voted" is $5,277K.

Unforeseen Expenses (PA02)

Provides for unforeseen expenses pursuant to Section 10.1 of *The Provincial Auditor Act*.

Expenditure by Type	2003-04	2002-03		
Salaries	350	348		
			350	348